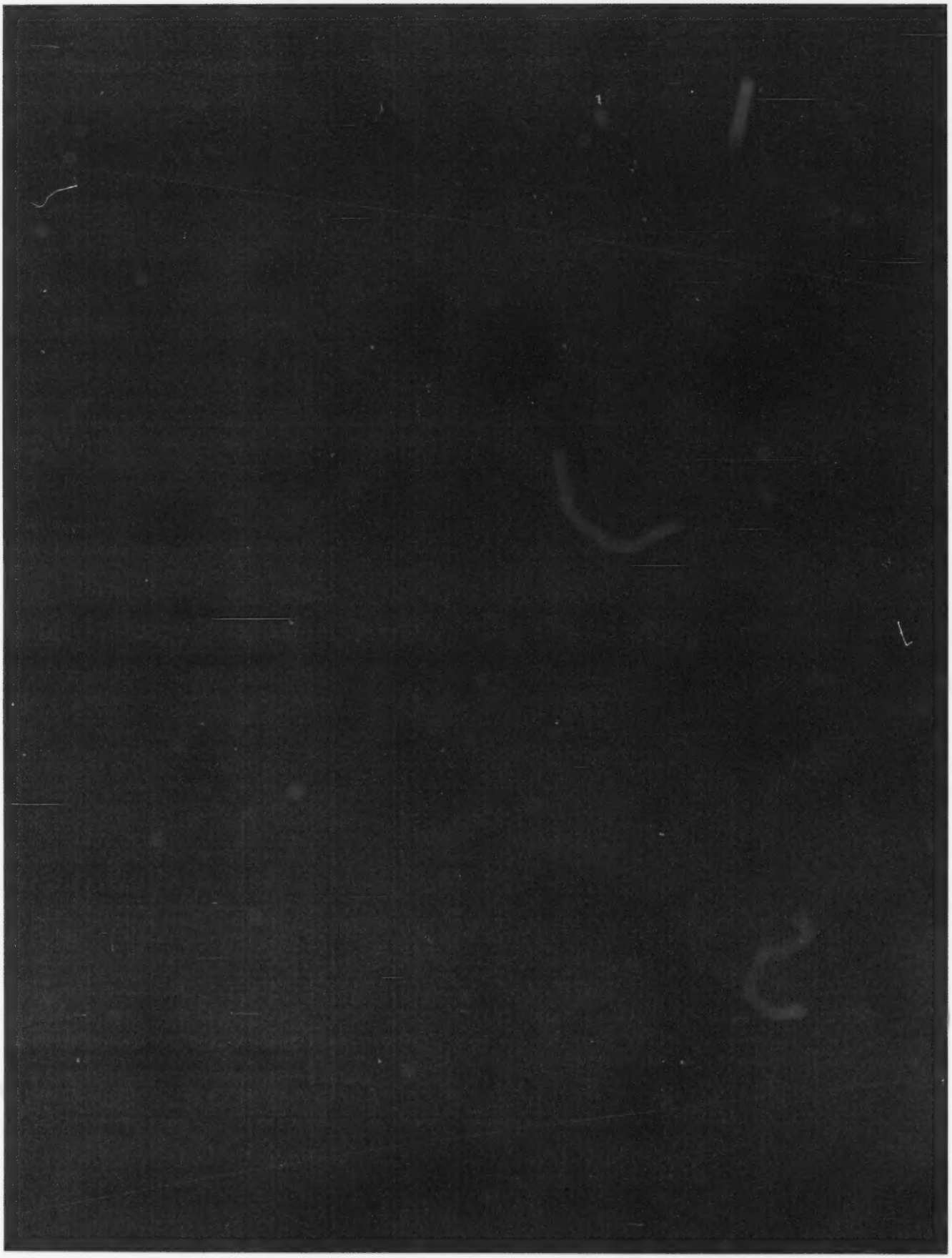
Alberta

Freedom To Create. Spirit To Achieve.

# Environment

## Annual Report
2008-2009

Government of Alberta



# Environment

## Annual Report

2008-2009

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# Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 30, 2009 contains Ministers' accountability statements, the consolidated financial statements of the province and *The Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

**This annual report of the Ministry of Environment contains the Minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:**

- **the financial statements of entities making up the ministry including the Department of Environment and the Climate Change and Emissions Management Fund for which the Minister is responsible;**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report; and**
- **financial information relating to the trust fund.**

# Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2009, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All the government's policy decisions as at September 8, 2009, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

*Original signed by*

*Rob Renner*
*Minister of Environment*

# Minister's Mandate

On March 27, 2008, Premier Stelmach mandated the Minister of Environment to work with the Minister of Energy to ensure Alberta's energy resources are developed in an environmentally sustainable way.

Environment will lead the following initiatives:

- Inform Albertans on our environmental stewardship to ensure a clear provincial, national and international understanding of Alberta's leadership, commitment and action on the environment.
- Implement the *Climate Change Strategy*, including conservation, energy efficiency and adaptation initiatives.

In addition, the Minister of Environment will lead the following initiatives to assist in achieving the Government of Alberta's collective goals:

- Address the impacts of development on land, air, water and biodiversity, at a regional level, through a cumulative effects management system that is integrated with Alberta's Land-use Framework.
- Manage Alberta's water resources to ensure the province has the quality and quantity of water needed now and into the future to support population and economic growth.

# Message from the Minister

The collaboration taking place within and outside of the Government of Alberta mirrors the integrated approach we have taken with environmental planning. This past year, Alberta Environment worked with our partners, within and outside of government, to deliver a number of government strategies: the renewed *Water for Life* strategy and work to support the implementation of Alberta's Land-use Framework, *Responsible Actions: A Plan for Alberta's Oil Sands*, and the *Provincial Energy Strategy*. These strategies are instrumental steps in realizing our vision – Alberta's environment sustains a high quality of life.

Ongoing work this year included implementing *Alberta's 2008 Climate Change Strategy*, and taking a number of steps to operationalize a cumulative effects management system, a new approach to environmental management announced in October 2007.

As a part of my mandate from the Honourable Premier Stelmach, Alberta Environment is leading the development and implementation of a new cumulative effects management system under the Land-use Framework. Alberta's cumulative effects management system will be implemented through the seven regional plans being developed under Alberta's Land-use Framework and will consider the social, economic and environmental impacts of development within each region. Implementing a cumulative effects management system will require the collaboration of several Government of Alberta departments and all their partners as we lay out visions for these seven regions and adapt our business to deliver this system.

The 2008-2009 Annual Report is a snapshot of a year in Alberta Environment. It provides an overview of the work of Alberta Environment staff this past year and, in many cases, a glimpse into the work that will continue into the future. While it is always important to look back on our accomplishments and journey as a department, it is equally rewarding to look forward. Into 2009, Alberta Environment will continue its water, climate change and cumulative effects management system implementation work and also lay out some new paths to best manage air quality and promote the reclamation of our land.

*Original signed by*

*Rob Renner*
*Minister of Environment*

# Management's Responsibility for Reporting

The Ministry of Environment includes the department, the Environmental Appeals Board, and the Climate Change and Emissions Management Fund.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Environment. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements, of necessity, include amounts that are based on estimates and judgements. The consolidated financial statements are prepared in accordance with the Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Environment any information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

Original signed by

**Jim Ellis**
Deputy Minister of Environment
September 8, 2009

# Overview

# Highlights

## Climate Change

Efficiency improvements of 3.8 million tonnes of greenhouse gas emissions were achieved and 2.7 million tonnes of offsets were applied by industry in the first full year of mandatory targets for a total of 6.5 million tonnes. The calendar year is the basis for the compliance period and for primary reporting on the Fund. For the compliance period, $83.3 million was paid into the Climate Change and Emissions Management Fund. For the fiscal year ended March 31, 2009, the Climate Change and Emissions Management Fund revenue amounted to $85.3 million bringing the total amount in the Fund to $146 million. This money will be used to develop transformative emissions reduction technologies in Alberta.

A new three-year provincial consumer program was launched. The program provides rebates to existing homeowners who improve their energy efficiency, to new home buyers who purchase energy efficient homes and to taxi operators who are transitioning their fleet to hybrid vehicles.

## Water

The renewed *Water for Life* strategy was released in November 2008. Under the strategy, water management practices were aligned with land-use planning and the cumulative effects management system to support Alberta's Land-use Framework.

## Cumulative Effects

Development continued on the cumulative effects management system in the Industrial Heartland. Other areas of development included groundwork for new legislation to support cumulative effects management, a governance framework and implementation plan, as well as work on an approach to environmental impact assessments, learning from prototyping, and policy within cumulative effects frameworks.

## Financial Information

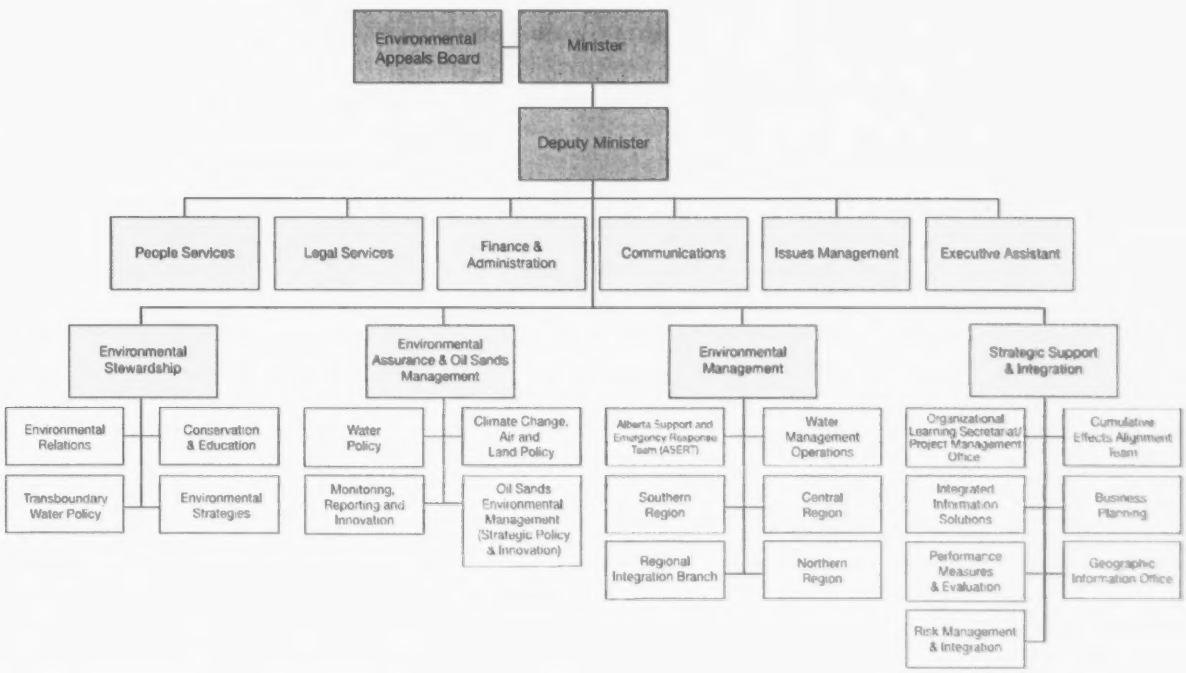
The ministry's total expenses were $333 million, which is lower than the authorized budget by $70 million. The variance primarily reflects a $52 million deferral of initiatives under the Canada ecoTrust for Clean Air and Climate Change and a $9 million reduction in grants due to lower than expected Climate Change and Emissions Management Fund revenue. Alberta Environment's spending during the year focused on the priorities outlined in Premier Stelmach's mandate letter to the Environment Minister, which set three clear priorities: cumulative effects management, climate change, and *Water for Life*. The ministry's revenue was $93 million, which was $63 million lower than the budget of $156 million. This is mainly due to the deferral of the Canada ecoTrust for Clean Air and Climate Change projects and less than expected credits purchased by industry under the Climate Change and Emission Management Fund, which is aimed at reducing greenhouse gas emissions.

# Operational Overview

The Ministry of Environment consists of the Department of Environment, the Environmental Appeals Board, which is a quasi-judicial board reporting to the Minister, and the Climate Change and Emissions Management Fund. In addition, three Delegated Administrative Organizations report to the Minister and operate with separate board governance and financial management. They are the Alberta Recycling Management Authority, the Beverage Container Management Board and the Alberta Used Oil Management Association.

The ministry's authority to carry out its mandate is based on the *Environmental Protection and Enhancement Act*, the *Water Act*, and the *Climate Change and Emissions Management Act*.

## Organization Chart as at March 31, 2009



## Environmental Appeals Board

*Steve E. Hrudey, Chair*
*Phone: 780-427-6207*
*www.eab.gov.ab.ca*

The Environmental Appeals board (EAB), a quasi-judicial board, operates at arm's length from Alberta Environment and reports directly to the Minister of Environment.

The EAB was established on September 1, 1993, under Alberta's *Environmental Protection and Enhancement Act*. The EAB, consistent with the *Environmental Protection and Enhancement Act* and the principles of natural justice provides fair, impartial and efficient resolution of matters before it. The EAB hears appeals under the *Environmental Protection and Enhancement Act*, the *Water Act*, and the *Climate Change and Emissions Management Act*, and Schedule 5 of the *Government Organization Act*. The EAB has the power to make recommendations to the Minister of Environment, with the Minister making the final decision. On matters relating to requests for confidentiality, stays, costs, administrative penalties issues to be heard, standing, and other preliminary matters, and certain matters relating to water works, the EAB makes the final decision. The EAB uses mediation to resolve matters when appropriate.

The EAB's goal is to advance the protection, enhancement, and wise use of Alberta's environment.

### Vision

Promote a high quality of life in Alberta through the timely and thorough review of environmental decisions.

### Mission

The Environmental Appeals Board will advance the protection, enhancement and wise use of Alberta's environment by providing fair, impartial and efficient resolution of all matters before it.

The EAB issues its own annual report at www.eab.gov.ab.ca/publications.htm.

## Alberta Environment

*Jim Ellis, Deputy Minister*
*Phone: 780-427-6236*
*www.environment.alberta.ca*

Alberta Environment oversees policies and initiatives associated with air quality, water management, waste management, environmental emergencies, land reclamation and climate change. Alberta Environment manages the provincial environmental regulatory process and develops cumulative effects management criteria. The department supports and directs environmental emergency management in cooperation with partners and coordinates public education on conservation and environmental protection. Alberta Environment is also responsible for environmental monitoring and compliance programs to enforce Alberta's environmental legislation and regulations.

### Operations and Services

Alberta Environment leads provincial government actions and shares responsibility with all Albertans to protect and enhance Alberta's natural environment. We work with our partners in their communities to ensure Albertans continue to enjoy the clean and healthy environment that is such an important part of our province's natural beauty. To do this effectively, staff are located in communities throughout Alberta. Alberta Environment is led by an Executive Team and is organized into four main business divisions: Environmental Assurance and Oil Sands Management, Environmental Stewardship, Environmental Management, and Strategic Support and Integration. The Executive Team and divisions are supported by People Services, Communications, Legal Services, and Finance and Administration.

#### *Executive Team*

*Jim Ellis, Deputy Minister*
*Phone: 780-427-6236*

The Executive Team provides strategic, supportive and results-oriented leadership. Team members include the Deputy Minister, the leaders of the four main divisions and the four support areas, as well as the Deputy Minister's executive advisor and administrative assistants. The Executive Team work together to implement strategic initiatives in a structured and managed way, to focus on doing the right things for the environment and to enhance the department's role as environmental leaders.

#### *Ministry Divisions*

*Environmental Assurance and Oil Sands Management Division*
*Ernie Hui, Assistant Deputy Minister*
*Phone: 780-415-8183*

Environmental Assurance is focused on policy development, science and support, information management, and monitoring and reporting. Key activities include strategic support to cumulative effects management, climate change, development of legislation or new standards and approaches to manage water quantity, quality and drinking water, air quality, waste management, science and policy research, environmental monitoring, and improving department information management systems and applications.

***Environmental Assurance and Oil Sands Management Division – continued***
Oil Sands Environmental Management develops placed-based environment and resource management policies with a focus on oil sands development and northeastern Alberta. Key activities include developing environment and resource management outcomes for the oil sands, influencing oil sands research, and policy development.

***Environmental Stewardship Division***
*Beverly Yee, Assistant Deputy Minister*
*Phone: 780-427-6247*

Environmental Stewardship coordinates the development of major environmental strategies, stewards relationship and capacity building with Alberta Environment's partners, and leads the department's efforts on conservation, stewardship, education, and outreach. Key activities include Aboriginal and intergovernmental consultation, renewal of the *Water for Life* strategy, management of waste stewardship programs, education and outreach work – including Alberta's One Simple Act program – and transboundary water negotiations.

***Environmental Management Division***
*Rob Penny, Assistant Deputy Minister*
*Phone: 780-427-1335*

The Environmental Management Division implements place-based environment and resource management outcomes, stewards cumulative effects management systems and delivers on the department's regulatory mandate under the *Environmental Protection and Enhancement Act* and the *Water Act*. The division is also responsible for operation and maintenance of provincially-owned water management infrastructure, dam safety, flow forecasting, and river engineering. Key activities include the improvement of regulatory services, implementation of basin management plans, coordination of water allocation and management discussions between stakeholders, and development of a regional support team, which provides strategic operational support to all regions and implementation of cumulative effects management.

***Strategic Support and Integration Division***
*Al Sanderson, Acting Assistant Deputy Minister*
*Phone: 780-643-0890*

Strategic Support and Integration Division identifies environmental trends, strategic risks and opportunities and ensures they are incorporated in Alberta Environment's strategic, business and corporate operational plans. The division provides leadership and support on strategic, business, operational and legislative planning, integrated risk management, performance measurement, program evaluation, project management, strategic intelligence and information systems. Key activities include coordination and support to the department in the transition to cumulative effective management and developing internal systems to support organizational change and learning.

### *Support Areas*

*People Services*
*Mary Jefferies, Leader*
*Phone: 780-422-4480*

People Services sets the overall strategy for Alberta Environment's most important asset – its people. Through the development of the People Plan, People Services supports the department's business plan and strategic priorities. People Services provides advice, guidance and strategic direction for initiatives and activities impacting the people of Alberta Environment. Key activities include planning, coordinating, implementing and evaluating succession management plans, recruitment and classification actions, organizational design processes, organizational and staff development plans, workplace culture initiatives and health and safety strategies.

*Communications*
*Kim Capstick, Director*
*Phone: 780-427-6267*

Communications provides the department with communication resources to build open communication between the department and Albertans. The branch provides communications support to department initiatives, programs and services. It also works in partnership with government ministries, other orders of government and community and industry organizations to communicate key events and initiatives. Communications provides communications support for strategic and newsworthy department actions and serves as a spokesperson for the department on corporate issues.

*Legal Services*
*Darin Stepaniuk, Team Lead*
*Phone: 780-427-3496*

Legal Services assists the department in achieving its objectives through the provision of effective legal and related strategic services. Legal specialists are members of legal practice groups, including hearings, contracts, compliance, regulatory tools, working on the *Environmental Protection and Enhancement Act*, the *Freedom of Information and Privacy Act*, the *Climate Change and Emissions Management Act* and the *Water Act*.

*Finance and Administration*
*Mike Dalrymple, Executive Director and Senior Financial Officer*
*Phone: 780-427-5022*

Finance and Administration provides financial management and administrative services to the department. It leads and supports several departmental initiatives, including managing requests and inquiries related to the *Freedom of Information and Privacy Act*, records management, accommodations, contract and grant processing and management, financial statements preparation, IMAGIS reporting, budget and forecast preparation, purchase card management and revenue processing.

# 2008-2009 Key Activities

## Building a Foundation

Laying the foundation within the department to move to a cumulative effects management system was a key internal activity. The Strategic Support and Integration Division was created to provide strategic leadership on a management approach aligned to deliver a cumulative effects management system. The division consolidated strategic and corporate services to support department staff in collaboration, integration and learning.

Internal preparations were undertaken to create a Cumulative Effects Management System Transformation Secretariat and five supporting teams to put into practice key elements of the cumulative effects management system. These teams will be in place April 1, 2009.

## Working Together

Coordinated planning and management of cumulative effects involved working closely with other ministries, such as Sustainable Resource Development and Energy. The cumulative effects approach is integral to the Land-use Framework, *2008 Climate Change Strategy*, the renewed *Water for Life*, the provincial energy strategy and a comprehensive 20-year plan for Alberta's oil sands.

## Legislation

The *Climate Change and Emissions Management Amendment Act*, proposed as Bill 8, set the rules for management of funds in the Climate Change and Emissions Management Fund.

A ban on the sale of herbicide-fertilizer combination products in Alberta as of January 1, 2010, was announced to reduce the amount of chemical run-off entering into our waterways and protect the quality of water downstream of urban areas.

The *Beverage Container Recycling Regulation* was revised to increase the deposit refund amounts as of November 1, 2008. These changes are expected to improve beverage container recycling rates in the province. The province's goal is an overall beverage container recycling rate of 85 per cent. The *Beverage Container Recycling Regulation* was also amended to include milk containers in the recycling system as of June 1, 2009.

The *Activities Designation Regulation* was amended to include synthesis gas plants as requiring approvals. The *Activities Designation Regulation* was also revised to extend the time for transition from approvals to registrations for sand and gravel pits.

The *Conservation and Reclamation Regulation* and *Environmental Assessment (Mandatory and Exempted Activities) Amendment Regulation* was amended to reduce the regulatory burden on transmission line operators. Transmission lines do not require security deposits or a mandatory environmental impact assessment.

# Results Analysis

# Message from the Deputy Minister

2008-2009 was a year of transformation at Alberta Environment. The driver behind this transformation is Alberta's adoption of a cumulative effects management system under Alberta's Land-use Framework. Alberta Environment clearly established itself as a leader in cumulative effects management this past fiscal year. This leadership will continue as we work to deliver an adaptive and comprehensive environmental management system that supports the regional plans being developed under the Land-use Framework.

In 2008-2009, we continued to implement a cumulative effects management system in the Industrial Heartland, a 533 square kilometre area northeast of Edmonton. To operationalize this system, work began to create the cumulative effects management system Transformation Secretariat and five supporting teams. We are also well underway with developing a legislative framework to enable the system.

To ensure Alberta Environment has the capacity to carry out this critical work, we made some significant shifts in our department to consolidate our work and support our staff. The creation of the Strategic Support and Integration Division early in the fiscal year will provide strategic leadership to the department to guide the shift to the cumulative effects management approach.

As we move into 2009, we are committed to giving our people clarity in our priority work so the department successfully achieves our goals and those of the Government of Alberta.

Original signed by

**Jim Ellis**
Deputy Minister of Environment

# Reader's Guide

The *Ministry of Environment 2008-2009 Annual Report* is the key accountability document relative to the *Ministry of Environment 2008-11 Business Plan*. The Results Analysis section provides a discussion of the results and performance of the ministry during the 2008-2009 fiscal year and includes:

## Expense by Core Business

This portion outlines the amount of the total ministry expense directed at achieving each of the three core businesses in 2008-2009. An accompanying figure presents each expense amount as a percentage of the total ministry expense, and shows which ministry programs are part of each core business.

## Integrated Results Analysis

Discussion of financial and non-financial information is provided relative to the results achieved in 2008-2009 and a comparison to actual revenues and expenses from the previous fiscal year.

## Discussion and Analysis of Results

A combination of stories and bullets to illustrate department achievements and programs is in this portion. A focus is placed on staff working together within the ministry and with partners.

The section indicates the progress that has been made on the numerous business plan strategies, as well as the results or planned development for the 11 performance measures that are used to track progress toward achieving the six goals in 2008-2009. For each established performance measure, a brief description, the target, the most current results available and a discussion of the results are given.

Data sources and methodology are in a separate section providing additional information about the composition of the performance measures. Information on changes to performance measures is included at the end of the Discussion and Analysis section after Performance Measure Data Sources and Methodology.

Following the Results Analysis section, the financial statements of the ministry, department and the Climate Change and Emissions Management Fund are provided.

# Auditor General's Report on Performance Measures

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the Ministry of Environment's *2008-09 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's *2008-09 Annual Report* are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
August 28, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

# Expense by Core Business

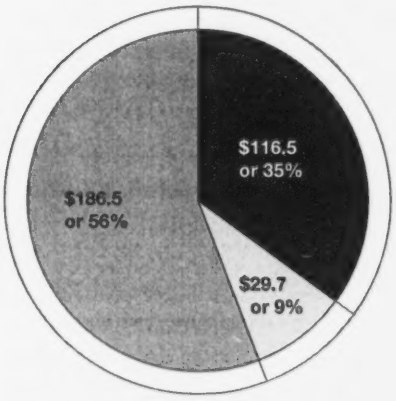
Table 1
**Ministry Expense by Core Business**

As at March 31, 2009 (unaudited) (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Safeguarding Public and Environmental Health | $ 267,342 | $ 186,529 | $ 31,131 |
| Leading and Enabling Citizens, Communities, Governments and Industry to be Environmental Stewards | 25,931 | 29,698 | 41,549 |
| Leading and Supporting the Development and Maintenance of Critical Regulatory Systems and Environmental Infrastructure | 109,597 | 116,467 | 191,628 |
| | $ 402,870 | $ 332,694 | $ 264,308 |

Note: The total ministry expense is included in only one function, Environment.

Figure 1
**2008-2009 Ministry Expense by Core Business** (in millions)




**Core Business: Safeguarding Public and Environmental Health**

*Programs*

- Drinking Water
- Monitoring and Evaluation
- Standards
- Climate Change
- Innovation and Policy
- Reclamation and Emergency Preparedness
- Climate Change and Emissions Management

**Core Business: Leading and Enabling Citizens, Communities Governments and Industry to be Environmental Stewards**

*Programs*

- Intergovernmental Relationships and Partnerships
- Educational Awareness
- *Water for Life*

**Core Business: Leading and Supporting the Development and Maintenance of Critical Regulatory Systems and Environmental Infrastructure**

*Programs*

- Ministry Support Services
- Integrated Resource Management
- Approvals
- Compliance and Enforcement
- Water Operations
- Emergency Response
- Oil Sands Innovation and Policy
- Oil Sands Operations
- Amortization of Tangible Capital Assets
- Valuation Adjustments and Other Provisions

# Integrated Results Analysis

In an economic reality vastly different than last year, Alberta Environment focused its resources on the three priorities outlined in Premier Stelmach's mandate letter to Minister Renner: cumulative effects management, climate change, and *Water for Life*.

The department continued its cumulative effects management framework implementation work in Alberta's Industrial Heartland to enforce environmental thresholds and build collaborative partnerships with regional stakeholders. Alberta Environment also worked on a regional cumulative effects assessment of the Athabasca oil sands area.

A new provincial consumer incentive program for energy efficient purchases was launched to help Albertans take action to address climate change. The province invested $36 million in the three-year program run by Climate Change Central. Rebates are available to existing homeowners who improve their energy efficiency, to new home buyers who purchase energy efficient homes and to taxi operators who are transitioning their fleet to hybrid vehicles. In 2008-2009, Alberta Environment and Alberta Energy contributed $3 million and $27 million respectively to the program.

For the fiscal year ended March 31, 2009, the Climate Change and Emissions Management Fund revenue amounted to $85.3 million. The grant payments from the fund are provided to the Climate Change and Emissions Management Corporation which will invest in initiatives and projects that support developing and implementing transformative technologies that will reduce greenhouse gas emissions and improve our ability to adapt to climate change. The Climate Change and Emissions Management Corporation is an independent not-for-profit organization.

The department continues to move forward with its *Water for Life* strategy through key partners such as Watershed Planning and Advisory Councils. Each council leads watershed planning, reports on the state of the watershed, ensures a high level of protection of the aquatic ecosystem, and facilitates more efficient water use. These groups, along with the Alberta Water Council, received $5 million in core operating funding for both 2008-2009 and for 2009-2010.

Alberta Environment continues to be fiscally responsible during these tough economic times by using our resources as efficiently and effectively as possible while ensuring environmental protection of Alberta's air, land and water.

In prior years, the Office of the Auditor General applied specified procedures to all ministry performance measures included in the annual report. In the current year, the Office of the Auditor General conducted a limited assurance engagement (review) of a selection of performance measures that are identified in the annual reports as "Reviewed by Auditor General." The measures were selected for review by ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives;
- Measures have well established methodology and reporting of data; and
- Measures have outcomes over which the government has a greater degree of influence.

## Comparison of 2008-2009 Budget to 2008-2009 Actuals

The following provides explanations of the major program variances:

### Ministry Support Services

The program expenditure exceeded the budgeted amount by $4 million due to the creation of the Strategic Support and Integration Division, which focuses on providing advice to Executive on strategic matters and consolidating functions essential to the overall strategic direction of the department. Furthermore, additional resources were required to support departmental initiatives under Communications and People Services.

### Climate Change

The program spending was lower than the budgeted amount by $72 million due to $52 million deferral of initiatives under the Canada ecoTrust for Clean Air and Climate Change and reallocated funds to support activities in ministry support services and cumulative effects management. The funding committed by Alberta Energy to support the energy efficiency and conservation program enabled this reallocation.

### Intergovernmental Relationships and Partnerships

The program spending exceeded the budgeted amount by $4 million primarily due to $3 million in grant payments to the Beaver River Regional Waste Management Commission in support of landfill development under the Alberta Waste Management Assistance program.

### Integrated Resource Management

The program expenditures exceeded the budgeted amount by $4 million due to additional resources required to support the priority of cumulative effects management. The work under the Southern Alberta Regional Plan, Industrial Heartland, East Central Alberta Cumulative Effects Project, and Land-use Framework projects provided valuable insights as the department moves toward a cumulative effects system.

### Oil Sands Operations

The program spending was lower than the budgeted amount by $4 million primarily due to a decreased grant payment to the University of Alberta's School of Energy and the Environment for oil sands reclamation research, as well as a reduction in spending for internal efficiencies.

### Climate Change and Emissions Management

The program spending was lower than the budgeted amount by $9 million due to lower than expected Climate Change and Emissions Management Fund revenue received for the 2007-2008 and 2008-2009 fiscal years. As a result, the ministry made lower grant payments to the Climate Change and Emissions Management Corporation.

## Comparison of 2008-2009 Actuals to 2007-2008 Actuals

The following provides explanations of the major program variances:

**Ministry Support Services**
The program spending in 2008-2009 is $3 million higher than in 2007-2008 due to additional resources required to support department activities under the new Strategic Support and Integration Division, Ministerial Correspondence Unit, and Corporate and Web Communications unit.

**Climate Change**
Program spending in 2008-2009 is $5 million higher than in 2007-2008 due mainly to grant payments to Climate Change Central in support of the energy efficiency and conservation rebate program. This program promotes the reduction of greenhouse gas emissions by offering rebates to Albertans who qualify for the program. In addition, funding was provided to other ministries to support energy efficiency and conservation and carbon capture and storage.

**Intergovernmental Relationships and Partnerships**
The program spending in 2008-2009 is $17 million lower than in 2007-2008 mainly due to grant payments of $15 million to support regional landfill development in the Municipality of Wood Buffalo, and a one-time payment to the Town of Strathmore in support of wastewater operations that were made in the 2007-2008 fiscal year.

**Educational Awareness**
The program expenditures are $2 million higher in 2008-2009, due primarily to support the One Simple Act initiative delivered by the Alberta Conservation Team, which is a three-year program launched in the spring of 2008 to educate and inform Albertans about the value of actions they can take to improve Alberta's environment. This program informs and engages individuals, organizations and communities to make smart decisions about how to reduce waste, conserve water and reduce energy consumption.

**Water For Life**
The program spending is $3 million higher than in 2007-08 due to grant payments made to Watershed Planning and Advisory Councils, and the Alberta Water Council to support core operations in 2009-10. The *Water for Life* strategy continues building on its key goals by working closely with these partners to review the province's water management policies. The renewed strategy accelerates action to safeguard Alberta's water resources while ensuring integration of watershed planning with regional planning under the proposed Land-use Framework, and sets clear direction and action for improved watershed management in Alberta.

### Water Operations

The program expenditure for this area is $85 million lower than in 2007-08 due to a legal settlement of $85 million with the Western Irrigation District for costs related to constructing, rehabilitating and enhancing irrigation works.

### Oil Sands Innovation and Policy

The program spending in 2008-2009 is $3 million higher as more resources were required compared to the initial year in 2007-2008. During the second year, work continued on research and technology advancement to reduce environmental impacts of oil sands development.

### Climate Change and Emissions Management

The program spending of $146 million in grant payments to the Climate Change and Emissions Management Corporation includes current and prior fiscal years' revenues.

# Discussion and Analysis of Results

The next time you are outside, pause and look around you.

Take in your environment. Our environment.

From the beauty of the parklands, Northern Boreal Forest and majestic Rockies to the air, land and water, our environment makes and shapes the quality of our lives every day.

More than 950 Alberta Environment staff are at work every day to ensure we all feel safe when we pour a glass of water, breathe in fresh air or spend time out on the land in any area of our province. We are working together with Albertans, ensuring our policies are meeting our needs and overseeing industry to ensure they minimize impacts on our environment.

The last few years have been particularly busy in our province. More people and activities mean more demands on our environment. All of us, whether we are involved in oil and gas, forestry and mining, agriculture, wildlife and recreation, or housing and infrastructure, are looking to the same land, air, water and habitat to meet our needs.

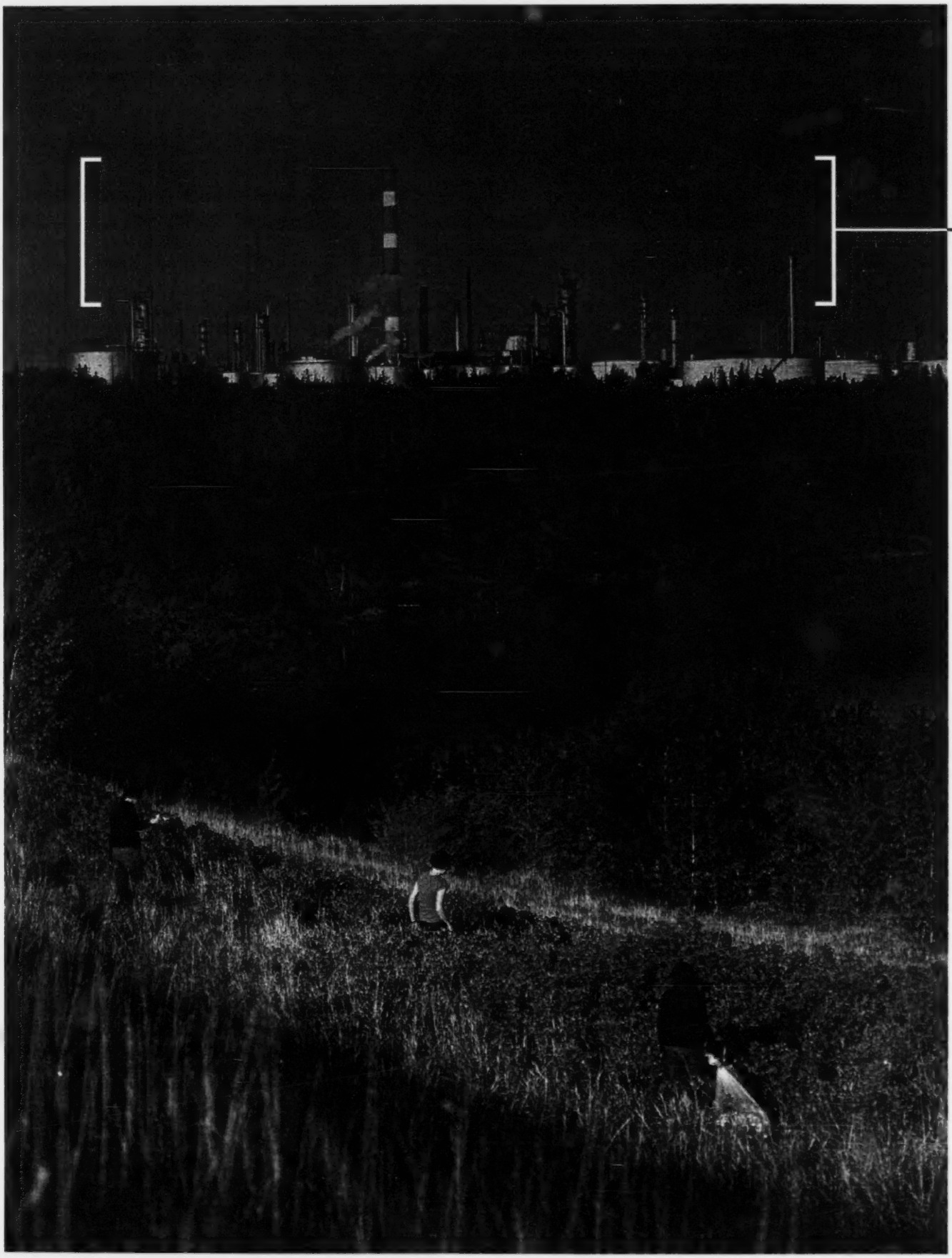
Environmental management has gone through great changes over the last forty years. We've evolved from concentrating on specific spills and releases in our environment to proactively managing facilities and the actions of individuals, and now we are evolving to concentrate on the environment as a whole.

In Alberta, we are committed to taking a regional approach to managing our environment. Regional environmental management will fit into Alberta's Land-use Framework, which will provide seven regional plans that set environmental, social and economic outcomes. Alberta Environment will work with its cross-ministry partners, federal and local government and the public to ensure we deliver on these plans.

In 2008-2009, we took significant steps to change our way of working so that we can support regional planning and ensure we can monitor and protect the environment as a whole. With the 2008 release of Alberta's Land-use Framework and Alberta Environment's work to move forward with the cumulative effects approach, the 2008-2009 fiscal year was a milestone year in building groundwork for the future. We may look back on this year as the catalyst for a fundamental shift in the way we assure the effective stewardship of our environment.

For us, the key theme for 2008-2009 was 'Working Together'. Our land, air, water and habitat work together to provide us with a remarkable natural environment. Our staff, leaders, partners, stakeholders and Albertans work together to protect our environment. Our traditional environmental management approaches are evolving to concentrate on the whole environment.

The successes highlighted in this report tell the story of Alberta Environment's work over this past year. Individually, these stories illustrate the leading edge approaches, innovative programs, and milestones the skilled and dedicated team at Alberta Environment has accomplished. Woven together, they provide a one-year snapshot of how Alberta Environment is moving forward.



**GOAL 1** **Linked to Core Business 1 – Safeguarding Public and Environmental Health**

## The Ministry has effective risk management, preparation and responses to events and emerging and complex issues

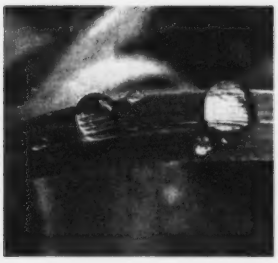
### REDUCING GREENHOUSE EMISSIONS

As a leading energy producer, Alberta is in a challenging position. We produce approximately one third of Canada's total greenhouse gas emissions, which are tied to our energy production. The demand for fossil fuels will remain into the foreseeable future and we will continue to support world energy supplies. Yet we are also global citizens and therefore have a responsibility to take decisive action to reduce greenhouse gas emissions. Our unique position gives us the opportunity to be a leader in climate change innovation as we help meet global energy demands. *Alberta's 2008 Climate Change Strategy* set a target of reducing our projected greenhouse gas emissions in half by 2050. The steps we've taken toward this target have been significant this past year.

For the first time in North America, large industrial facilities met a requirement to reduce the intensity of their greenhouse gas emissions by 12 per cent. In meeting these provincial targets, companies have four options:

- Make facility changes to improve intensity performance,
- Purchase Alberta-based carbon offsets,
- Purchase Emissions Performance Credits from Alberta-based facilities, and
- Pay $15-a-tonne into the Climate Change and Emissions Management Fund.

Efficiency improvements of 3.8 million tonnes of greenhouse gas emissions were achieved and 2.7 million tonnes of offsets were applied by industry in the first full year of mandatory targets for a total of 6.5 million tonnes. The calendar year is the basis for the compliance period and for primary reporting on the Fund. For the compliance period, $83.3 million was paid into the Climate Change and Emissions Management Fund. For the fiscal year ended March 31, 2009, the Climate Change and Emissions Management Fund revenue amounted to $85.3 million bringing the total amount in the Fund to $146 million. This money will be used to develop transformative emissions reduction technologies in Alberta.



The Fund's management was set out in the *Climate Change and Emissions Management Amendment Act*. This amendment allows Alberta Environment to collect the money separate from general revenues and provide it as a yearly grant to an arms-length group that will invest it. The Act outlines potential investment areas, including: energy conservation and efficiency, demonstration and use of new technologies that reduce greenhouse gas emissions such as carbon capture and storage, development of carbon offset projects and climate change adaptation programs and measures.

Additional new funding for public transit alternatives was provided through the Green Transit Incentives Program to reduce the number of vehicles on Alberta roads and to reduce greenhouse gas emissions.

Part of being a global citizen is to share with others our experiences and what actions we are taking. This past year saw Alberta Environment Minister Rob Renner representing Alberta at the 14th Conference of the Parties to the United Nations Framework Convention on Climate Change in Poland. As a member of the Canadian delegation, Minister Renner ensured Alberta's role as a key supporter of international climate change efforts. Minister Renner also travelled to Norway and the United Kingdom to share ideas about environmental technology and innovation. This mission was also an opportunity for us to learn about the implementation of carbon capture and storage and other advanced technologies used to reduce greenhouse gas emissions in other countries.

As our actions of 2008-2009 show, Alberta is on the forefront of decisive, effective climate change mitigation policy. We've stepped up to the world stage. Our progress has been – and will remain – significant, not only for Albertans, but for the world.

Other 2008-2009 accomplishments under Goal 1 include:

- Additional new funding for public transit alternatives was provided through the Green Transit Incentives Program to reduce the number of vehicles on Alberta roads and reduce greenhouse gas emissions.
- Funding was allocated for the creation of the Energy Efficiency Office within the department. The Office will oversee creation of an Efficiency Framework to help guide provincial efforts in energy efficiency and conservation. Working with partners within and outside government, the Office will encourage a change in how we use, apply and conserve energy in Alberta.
- The groundwater assessment document, Groundwater Risk Assessment for Alberta, was issued in December 2008. The report ranks the level of risk associated with groundwater-related activities. The department is addressing the outcomes of the groundwater risk assessment by investing in groundwater knowledge, enhancing data management systems, evaluating potential for regulatory change, and working with stakeholders to enhance watershed planning initiatives. The assessment connects the risks with recent groundwater management initiatives including the Edmonton-Calgary corridor groundwater mapping initiative, development of an aquifer classification system, development of groundwater management units and a groundwater management objectives framework.
- An expert science panel completed its review of the baseline waterwell testing standard. They submitted their final comments and recommendations to Alberta Environment in November 2008. Recommendations include developing a consistent gas sampling and analysis procedure and an auditing process to assure all tests completed within the baseline water testing standard are reported back to Alberta Environment.
- Risk management activities included tracking strategic environmental issues associated with emerging energy policy in the United States and the potential impact of a slowing economy.
- The Alberta Support and Emergency Response Team addressed 973 calls from various sources and deployed staff to site in 60 cases.
- Commenced regulatory enforcement action following waterfowl death on Syncrude Canada Ltd. tailings pond last spring. Charges were laid against Syncrude on February 12, 2009, under Section 155 of the *Environmental Protection and Enhancement Act* that concerns the storage of a hazardous substance in a manner that does not directly or indirectly come into contact with or contaminate any animals, plants, food or drink.

## Another First
### ALBERTA'S CARBON TRADING SYSTEM

Alberta had been involved in national efforts to quantify carbon reductions and to initiate pilot projects. In 2007, we became the first jurisdiction in North America to regulate carbon emissions from large industrial emitters. Carbon Offsets are one of four compliance options available to facilities to improve their emissions performance under the Specified Gas Emitters Regulation. Our system encourages carbon reductions in Alberta farms, small energy producers, renewable electricity generators, transportation companies and municipalities to develop emission reduction projects according to approved protocols. These credits can then be sold to industrial facilities unable to meet their reduction obligation. Reduced and no till farming practices have been identified as a key opportunity for carbon reductions in Alberta.

Offset credits from no till or reduced till farming practices are generated by storing carbon in the soil over time. Reducing or eliminating tillage on annual crop fields complements sustainable farming practices and supports the shift toward more environmentally responsible farming practices.

All credits must be third party verified against rigorous government-approved protocols. One of a number of successful companies participating in the offset system is Carbon Reduction Offset Project Ltd. (CROP). A total of 36,500 credits generated by CROP were used for compliance in 2007. (One credit is equal to one tonne of $CO_2$ equivalent emission reductions.)

The company has undertaken pilot projects and sponsored basic research on soil sequestration of carbon through the adoption of reduced tillage practices since 2004. CROP was formally incorporated in 2007 following the implementation of the Specified Gas Emitters Regulation and immediately began an environmentally-friendly tillage management project for farmers. Through their program, hundreds of farmers in Alberta have played a crucial role in improving the environment by changing their farming practices, while at the same time benefiting financially. CROP's success was a credit to the strong partnerships with local agribusinesses across the province.

Approximately 2.75 million offset credits were submitted in 2008 illustrating the tremendous interest we have in the offset program and the success from working together with our partners. In addition to tillage, other offset protocols used included wind energy production, landfill gas capture, compost and biomass energy production.

# Goal 1 Performance Measures

## 1a. Drinking Water Safety Indicator

**Reviewed by Auditor General**

The Drinking Water Safety Indicator measures the ability of regulated facilities to provide safe drinking water to Albertans. This indicator measures the success of Alberta's drinking water program, ensuring Albertans will continue to enjoy safe drinking water. The indicator is comprised of three sub-measures that measure the performance of facilities delivering safe drinking water:

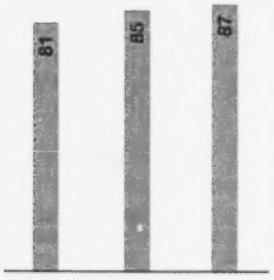
- **Facility Design Standards**
  The percentage of facilities meeting the newest (1997 or 2006) standards, as applicable.
- **Facility Operational Requirements**
  The number of incidents that could lead to water quality incidents where regulatory requirements have not been met.
- **Water Quality**
  The number of water quality incidents.

***Targets***

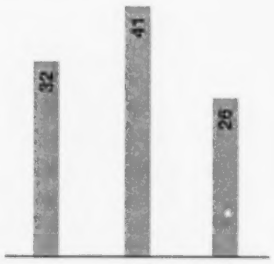
- Facility Design Standards: 87 per cent
- Facility Operational Requirements: 25
- Water Quality: 38

Figure 2
**Drinking Water Safety Indicator[1]**

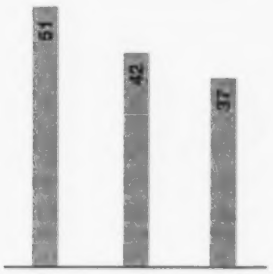
**Facility Design Standards (percentage of facilities meeting newest standards)**




**Facility Operational Requirements (number of incidents)**




**Water Quality (number of incidents)**




**Note:**

1 Data does not include waterworks facilities at industrial sites.

***Results Analysis***

Results show improvement in the infrastructure of regulated drinking water facilities. The results also indicate that progress has been made on addressing challenges related to facility operation and resulting water quality, returning to the desired declining trend.

*Facility Design Standards*

Eighty-seven per cent of regulated systems had treatment technology in place in 2008-2009, meeting newest facility design standards. This is an improvement in water quality technology at two per cent of facilities over the previous year. The remaining facilities meet an older standard and will require upgrading over time.

*Facility Operational Requirements*

Compliance with facility operational requirements saw a decrease in the number of incidents in 2008, with 26 incidents in 22 facilities. These results are very close to the target of 25 incidents, returning to the desired reducing trend over time. Initiatives such as the regional operator consortiums have been developed and implemented to assist facility operators in dealing with operational challenges to reduce the number of incidents.

*Water Quality*

In 2008, 37 water quality incidents occurred at 36 facilities. Advisories were issued where necessary, and Alberta Environment staff assisted in addressing the problems. The results were slightly better than the target, which was set at 38. The decrease in the number of incidents is, in part, the result of upgrading of facilities to newer standards as well as operators operating in accordance with Facility Operational Requirements. The initiatives to continue upgrading facilities and address the operational challenges are expected to further reduce these incidents in the future.

## 1b. Environmental Emergencies Response Indicator

**Reviewed by Auditor General**

The performance measure tracks the time from Alberta Environment Support and Emergency Response Team (ASERT) receiving information of an environmental emergency incident from the Coordination and Information Centre to the ASERT Duty Officer requesting a regional responder (Primary) to deploy. Minimization of response time can reduce the extent of environmental damage by ensuring the responsible party is doing all that is necessary to mitigate the issues as soon as possible.

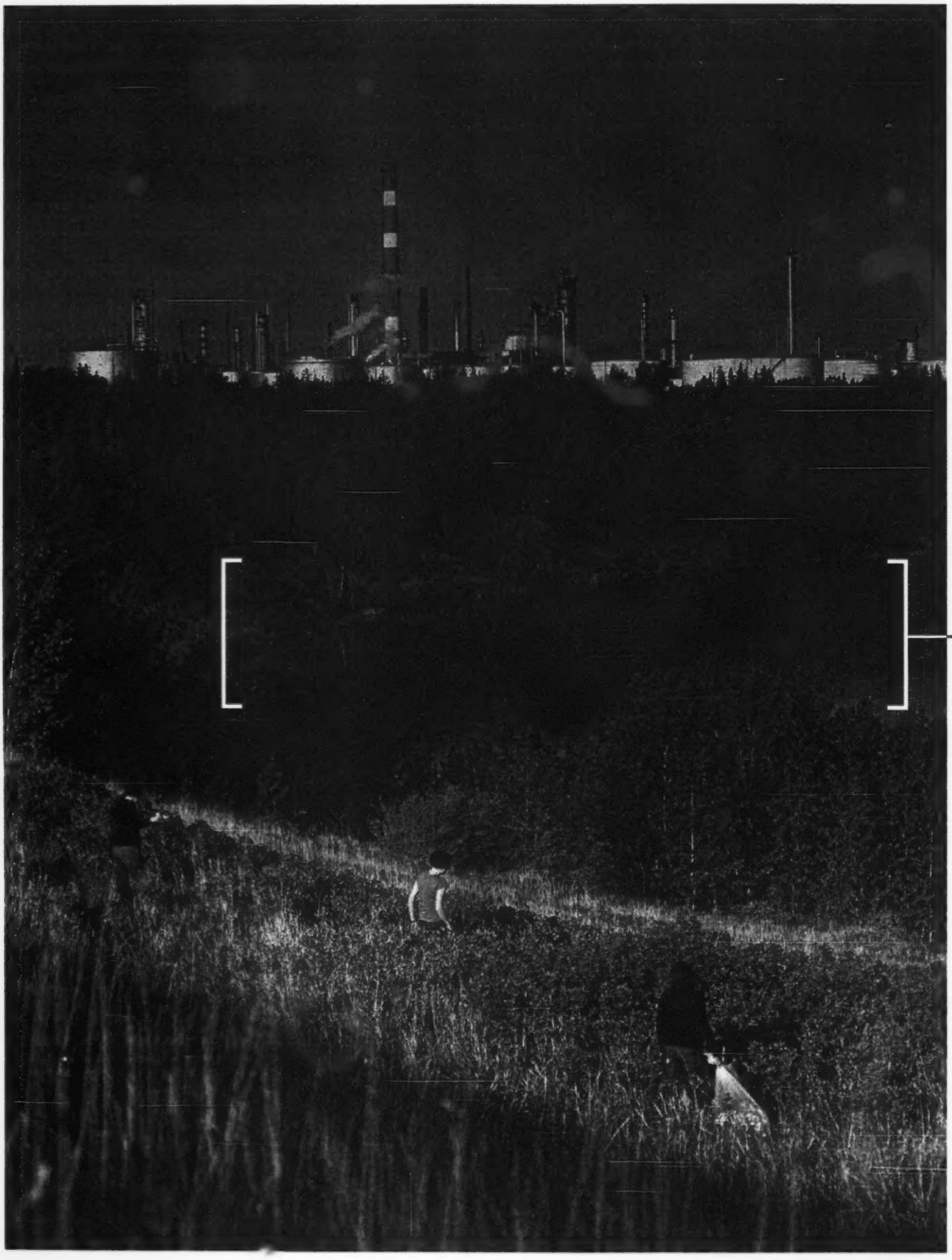
### *Target*

- 90 per cent responded to within 55 minutes

Figure 3
**Environmental Emergencies Response Indicator**
**(percentage of environmental emergency incidents responded to within 55 minutes)**

### *Results Analysis*

For the 2008-09 fiscal year, 85 per cent of the environmental emergencies were responded to within 55 minutes, which did not meet the target. This is due to some of the calls received by the Duty Officer requiring more information regarding the incident in order to complete an assessment. In certain emergencies, the assessment required more time as the Duty Officer needed to ensure the emergency responder had the information needed to deploy safely.



**GOAL 2** **Linked to Core Business 1 – Safeguarding Public and Environmental Health**

## The Ministry and its partners have the required policies and programs to achieve the Government of Alberta environmental outcomes

### SUSTAINING A FINITE RESOURCE

What flows from our tap is but a glimpse of a life-giving resource. Rarely does a day go by without news of a drought or flood occurring somewhere in the world. These issues are a constant reminder of how powerful and precious water is. Alberta is not immune to these events. We have experienced episodes of floods and water shortages as well. Our lives and livelihoods are directly impacted by the quality and quantity of water in our province. Protecting it requires a long-term commitment with constant monitoring to ensure we meet the changing needs of our province. This is why we continue to invest in one of the most comprehensive water management strategies in North America: *Water for Life: Alberta's Strategy for Sustainability*.

Since 2003, *Water for Life* has guided our actions to ensure all Albertans have safe and healthy drinking water, healthy aquatic ecosystems and knowledge and research about Alberta's water resources. The strategy has been vital in the creation of the Alberta Water Research Institute, established in 2007, and the government's efforts to improve our understanding and knowledge about water and waterbodies.

In the same way that growth in our province is a catalyst for our work to support the implementation of a cumulative effects management system, growth is keeping water issues at the forefront of Alberta's environmental management. Albertans from across industry, government, not-for-profit and non-government organizations are partnering with the Government of Alberta through the Alberta Water Council, Watershed Planning and Advisory Councils and watershed stewardship groups to ensure we find the best way to manage and conserve water resources, and to continue taking steps to understand our surface and groundwater resources.

This past year, the Alberta Water Council provided the Government of Alberta with recommendations on how to renew the *Water for Life* strategy to keep it relevant and effective. The goal of the renewal was to ensure that the strategy continues to protect Alberta's water resources in the face of provincial growth challenges, the anticipated impacts of a changing climate and the implementation of a cumulative effects management system as a part of Alberta's Land-use Framework. The renewed *Water for Life* strategy was released in November 2008.

And what about the water from our tap? A simple action on the surface perhaps, but delivering Alberta's water supply requires a vast network of strong partnerships. Alberta Environment works with a variety of federal, provincial and local partners to ensure Albertans have access to a safe and secure drinking water supply every day.

The department regulates municipal water systems that serve more than 80 per cent of Alberta's population. Our staff ensure Albertans have access to safe drinking water though a multitude of regulated activities that include setting standards, approval of waterworks systems, education, training and certifying waterworks operators, monitoring waterworks facility performance, facility inspections, enforcing facility approvals and enforcing legislation under Alberta's *Water Act* and *Environmental Protection and Enhancement Act*.

Planning for the future is a critical part of how we manage our water resources. Alberta Environment's *Water for Life* strategy ensures that the ebbs and flows of water supply and needs are carefully balanced.

In the development of the renewed *Water for Life* strategy, it was clear to the Alberta Water Council, the Government of Alberta and Albertans that our water management practices need to be aligned with the land-use planning activities and cumulative effects management system to be developed under the Land-use Framework. The seven regional plans to be developed under Alberta's Land-use Framework are structured around the major water watershed boundaries, while accounting for natural regions and municipal populations.

Water remains a constant necessity despite the numerous changes to our province. It is with these changes in mind – extreme weather events, growth and development and a changing climate – that Alberta Environment continued to take action this past year to ensure a safe, secure water supply for all.

Other 2008-2009 accomplishments under Goal 2 include:

- Groundwork on new legislation to support cumulative effects management began that will update or better coordinate existing environmental legislation and align with the policies and planning activities under the Land-use Framework.
- A cumulative effects governance framework and implementation plan was established and is being implemented.
- Worked with Sustainable Resource Development and other ministries to develop the Land-use Framework and with Energy and other ministries to develop *Launching Alberta's Energy Future – Provincial Energy Strategy* and *Responsible Actions: A Plan for Alberta's Oil Sands*.
- Insights were gathered from the East Central Alberta Cumulative Effects Project that was undertaken to prototype strategies for cumulative effects management. Knowledge gained on the means to identify social, economic and environmental outcomes will be considered by Alberta Environment as regional plans are designed and implemented under the Land-use Framework.
- Policy advances included cumulative effects frameworks for water, air and sulfur in the Industrial Heartland.
- Announced a Comprehensive Contaminant Load Study for the Lower Athabasca River region. This multi-year study began in late 2008. In addition to existing water quality monitoring programs, a new monitoring program was implemented using an approach that is the monitoring equivalent of a time exposure, as opposed to a snap shot in time. This approach provides information on ambient conditions to better support cumulative effects management.
- Completed a map of the major aquifers in Alberta. The Alberta Geological Survey is in the final stages of releasing a report that includes groundwater yield amounts for the province. This report is a compilation of historical data that has been reviewed and updated and will include a provincial map showing the known groundwater yield amounts.
- Prepared to launch the Lower Athabasca Regional Plan and the South Saskatchewan Regional Plan in the next fiscal year.
- Held seven town hall meetings and conducted web surveys as part of our consultations with Albertans on the province's air quality as part of our ongoing work with the Clean Air Strategic Alliance to update Alberta's Clean Air Strategy.
- Provided $250,000 in funding to the Alberta Stewardship Network's Watershed Stewardship Grant Program to help with community actions to safeguard Alberta's water resources.
- Initiated an employment continuity and succession management framework and strategy to be phased in over several years.

## Powerful Partnerships
### SOUTH EAST ALBERTA WATERSHED ALLIANCE

We are each of us water managers to some degree. Sharing the responsibility of wise water management through partnerships is critical to achieving the goals of the *Water for Life* strategy. Watershed Planning and Advisory Councils are an example of the power of partnerships.

Alberta has nine watershed organizations formally recognized as Watershed Planning and Advisory Councils, with an additional two underway in the Athabasca and Peace River watersheds. These multi-stakeholder, non-profit organizations engage governments, stakeholders, other partnerships, and the public in watershed assessment and watershed management planning. In their work, the Councils consider existing land and resource management planning processes, aligning with the Government of Alberta's Land-use Framework.

As a partner, Alberta Environment provides funding as well as a dedicated representative to advise the members of these Councils as they complete their watershed work plans.

The past year has been very successful for one Watershed Council in southern Alberta, the South East Alberta Watershed Alliance, which held its second Annual General Meeting. As the latest Watershed Planning and Advisory Council to form, the South East Alberta Watershed Alliance brings together diverse partners to plan and facilitate the sustainable use of the South Saskatchewan River Watershed for present and future needs. Already well into their State of the Watershed reporting, the South East Alberta Watershed Alliance will be making their report available online and in an interactive format – a first in Alberta.

# Goal 2 Performance Measures

## 2a. Policy Capacity Indicator

The Policy Capacity Indicator measures Alberta Environment's progress toward enhancing capacity to develop and implement innovative policy by examining the policy training of its staff. The indicator is comprised of two sub-measures:

- **Percentage of staff that have received policy capacity training**
  The percentage of staff having received policy training.
- **Total number of policy training days taken per year**
  The number of days of policy training taken by staff.

***Target***

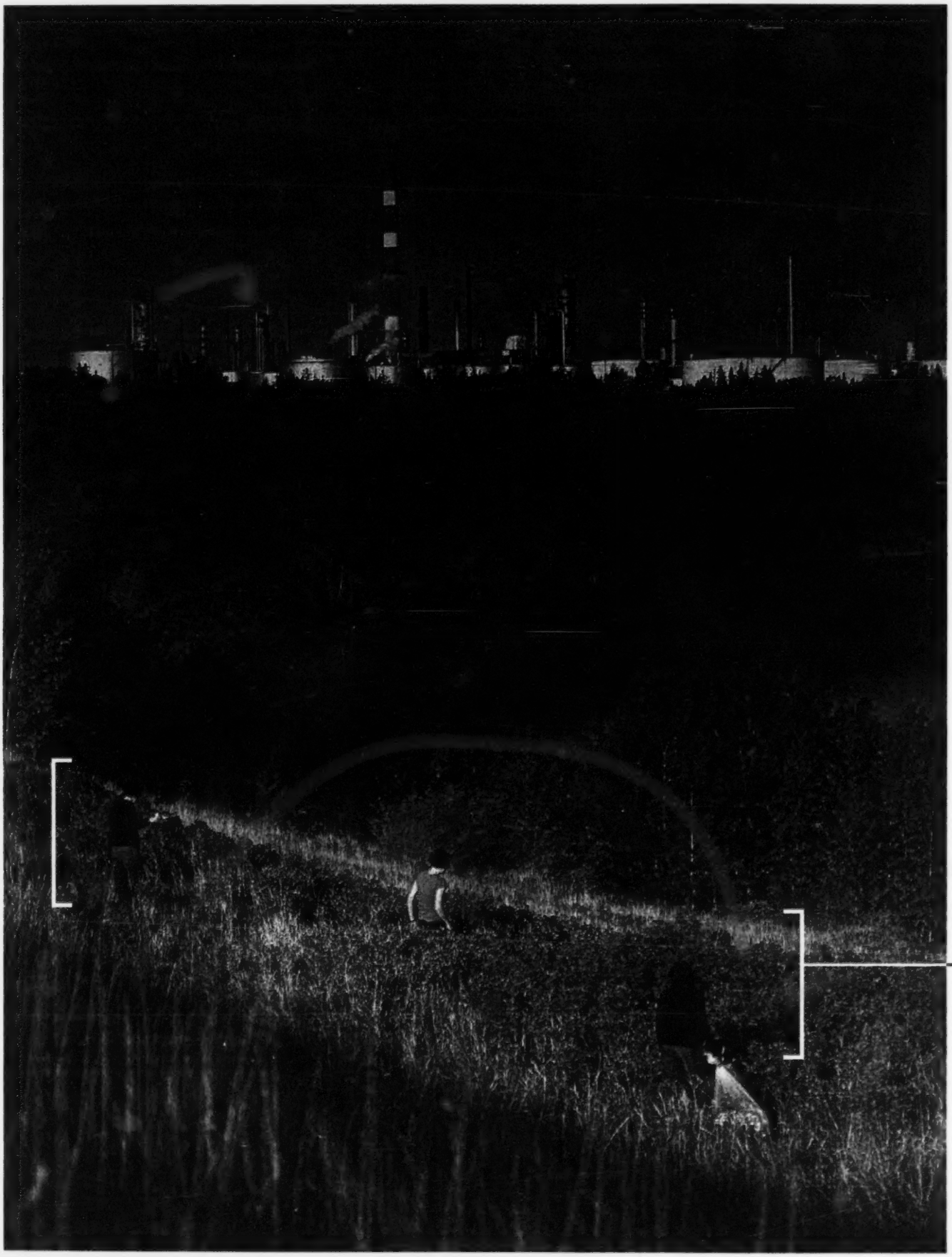
- Percentage of staff that have received policy capacity training: 30 per cent
- Total number of policy training days taken per year: 880

Figure 4
**Staff that have Received Policy Capacity Training (percentage)**

Figure 5
**Policy Training Days Taken Per Year (total number)**

***Results Analysis***

In 2008-2009, 22 per cent of staff received policy capacity training, which did not meet the target. Also, the total number of policy training days taken were 440, falling short of the targeted 880. The results reflect a lower than expected number of policy course offerings. The results were also influenced by the number of participants offset by a greater than expected increase in the total number of department staff.



**GOAL 3** **Linked to Core Business 2 – Leading and Enabling Citizens, Communities, Governments and Industry to be Environmental Stewards**

## Albertans are aware of and understand existing and emerging environmental threats and opportunities

### SIMPLE ACTIONS FROM THE GROUND UP

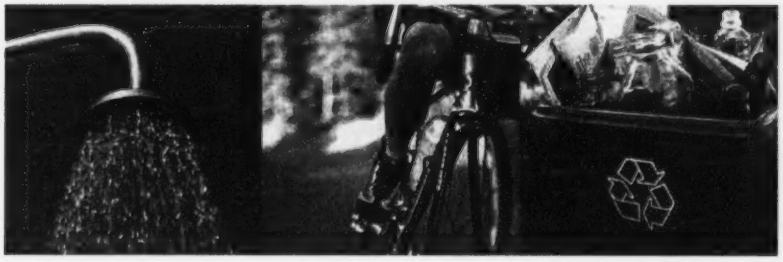
The environment is headline news everyday. For every report about decreasing water supplies or the effects of climate change and pollution, we hear stories of individuals and communities minimizing their impact on the environment. Big changes start with the smallest action, and everyone, not just government and industry, are stewards of our environment.

This is why in June 2008, Premier Ed Stelmach, Alberta Environment Minister Rob Renner, and Alberta Environment's Parliamentary Assistant Diana McQueen launched Alberta's One Simple Act program. The program encourages Albertans to commit to simple actions such as installing a low-flow shower head, taking one less car trip a week, or using reusable shopping bags to conserve water, energy and reduce waste. These are simple lifestyle changes that result in enormous environmental savings over time.

The Alberta Conservation Team, a group of young, energetic individuals, has taken to the road – in their fuel-efficient vehicles – to spread the One Simple Act message throughout Alberta. The team has organized tire pressure clinics and home site water assessments. They're also making conservation in the office a popular choice. Reusable shopping bags, mugs, and compact fluorescent light bulbs have been distributed to Albertans at more than 218 events in 54 communities.

The Alberta Conservation Team can't possibly speak to everyone directly, so technology is taking them to the rest of the province. The One Simple Act Flickr site showcases 1,600 photos of Albertans committing to protect the environment and their Facebook site provides support and tips to 353 fans.* The One Simple Act movement is growing with each road trip and each mouse click.

* Visit *One Simple Act* online at www.onesimpleact.alberta.ca.



By educating and informing Albertans throughout the province about the easy actions they can take to protect our environment, One Simple Act has collected more than 12,222 pledges from all ages. If kept, these pledges translate to 944,752 kg of reduced carbon dioxide emissions, 257,066 kg of waste diverted from landfills and saving 22,155,179 litres of water.

One Simple Act's travels have shown that Albertans take a great pride in our environment and in protecting it. The steps Albertans across the province are taking to protect our environment prove that even just one simple act can make a big difference.

Other 2008-2009 accomplishments under Goal 3 include:

- Alberta Environment's Information Centre responded to 6,887 phone calls and 4,315 emails.
- The ministry held another successful Minister for a Day program during Environment Week. In this annual program, grade 5 students submit booklets outlining three environmental priorities, what the government should take action on, and how they would motivate Albertans to protect the environment.
- Continued support to the annual national Environment Week program through a provincial website that provided information on how to organize and promote events in local organizations and community groups.
- Worked closely with the Recycling Council of Alberta to develop provincial programs that encourage businesses, communities and classrooms to get involved in waste reduction activities and to host local events during Waste Reduction Week in October.
- Educated 1,410 Albertans on the safe use and maintenance of household water wells, protecting human health and groundwater supplies, through more than 48 workshops in 35 municipalities, villages and First Nations.
- The department's monitoring and reporting infrastructure overcame several challenges to implement the Water Management Framework. Winter river flow monitoring is less reliable and automated compared to during open water seasons, and monitoring staff physically measured the flows on a weekly basis. New procedures were developed to assist in reporting flows and their related implications to the framework limits, and work began on a web-based tool for long-term use. The web-based tool will track river flows, cumulative water withdrawals and consistent planning. In addition, a system was developed to notify industry of the flow condition.
- The interim Muskeg River Water Management Framework, implemented in early 2008, brought into effect an assurance monitoring program resulting in high-quality monitoring data to assure Albertans the Lower Athabasca River is not adversely impacted by mining activities. This integrated approach to cumulative effects monitoring and reporting was successfully implemented through partnership and collaboration between industry and the department.

## Waste Reduction Week's Star Students
### TRIPLE STARS CHALLENGE

When students learn something interesting in school, they often take it home and teach their parents. This is exactly what happened during Waste Reduction Week in October 2008 when Alberta Environment and the Recycling Council of Alberta held a waste reduction contest, the Triple StaRs Challenge, for grade 4 students.

The students reduced, reused and recycled their way to victory as they learned how to cut down the amount of waste in their classrooms. They learned that cutting back on paper by submitting assignments electronically, bringing drinks for lunch in reusable containers, and repurposing their cardboard boxes for art projects helped them to reduce their everyday waste. At the end of the week, classrooms conducted a waste audit to determine what materials could have been diverted from the landfill.

Thirty-five classrooms participated in the Triple StaRs Challenge. Together they diverted 67 per cent of classroom waste from the landfill – environmental savings that will extend well beyond Waste Reduction Week.

# Goal 3 Performance Measures

## 3a. Client Access to Information through Environment's Information Centre

**Reviewed by Auditor General**

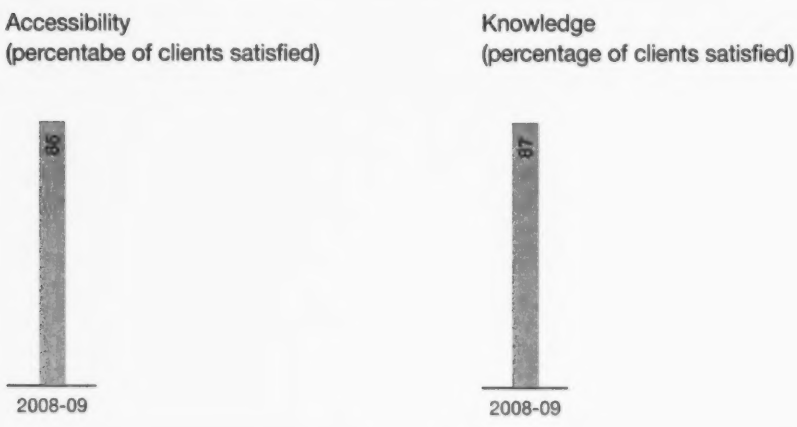
This performance measure tracks the opinions of Albertans on the service they receive from the Information Centre. This measure is comprised of two sub-measures:

- **Accessibility**
  The percentage of clients satisfied with accessibility to the Information Centre.
- **Knowledge**
  The percentage of clients satisfied with Information Centre staff knowledge.

***Target***

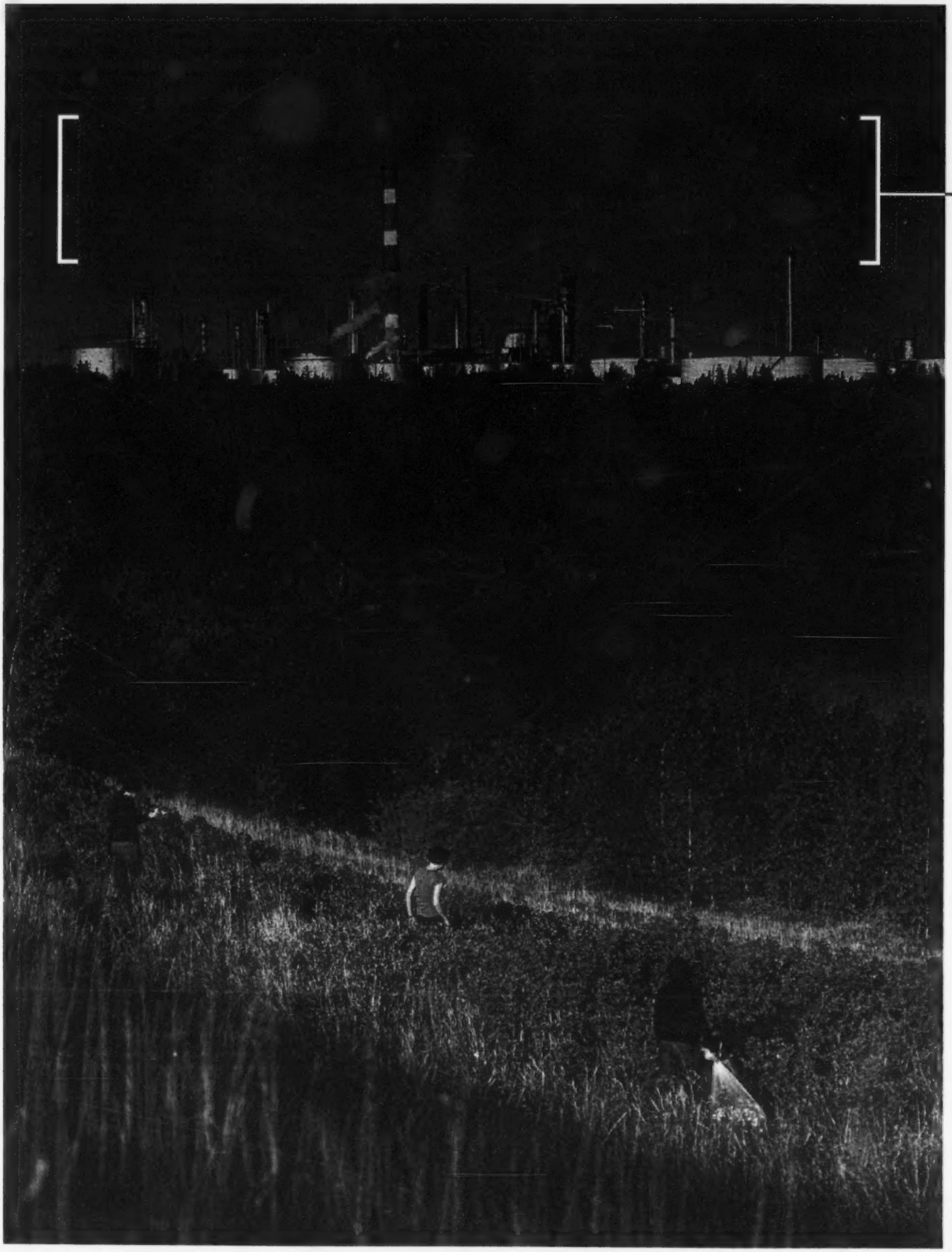
- Accessibility: 85 per cent
- Knowledge: 95 per cent

Figure 6
**Client Access to Information through Environment's Information Centre**




***Results Analysis***

In 2008-2009, 86 per cent of clients were satisfied with accessibility to the Information Centre. which exceeded the target. Eighty seven per cent of clients were satisfied with Information Centre staff knowledge, which did not meet the target. This reflects staffing challenges in 2008-2009. Initiatives such as staff succession planning and training programs should improve overall client satisfaction.



**GOAL 4** **Linked to Core Business 2 – Leading and Enabling Citizens, Communities, Governments and Industry to be Environmental Stewards**

## Albertans, communities, governments and industry implement stewardship of the environment through innovative initiatives

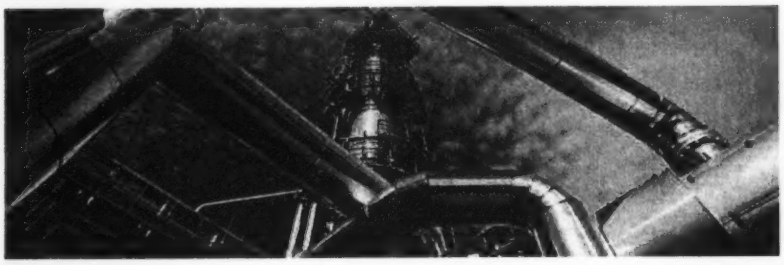
### MANAGING AIR QUALITY

Air, like water, has no boundaries. Action to protect it takes a collaborative effort from all of us. In Fort Saskatchewan, the Fort Air Partnership has seen the benefit of sitting down as a multi-stakeholder group to work through air quality issues to produce relevant and credible information that can be used to manage air quality in the 4,500 square kilometers that make up the airshed. Theirs is a voluntary, community-driven partnership that addresses questions about the cumulative effects of emissions on air quality and on human health in the area.

The same collaboration is ongoing at a national level. Alberta is working with other provinces and representatives of key industry associations and non-government organizations to develop a new, comprehensive air management system for Canada. The proposal for this national groundbreaking work was unanimously approved early this past fiscal year by the provinces, non-government organizations and industry representatives sitting on the steering committee. Later in the year, the Canadian Council for the Ministers of the Environment asked that an implementation plan be developed for their consideration.

The Comprehensive Air Management System will feature national ambient pollutant standards that will guide air management throughout Canada. It will also include management of all sources of pollutants impacting air quality and requirements on industry to ensure a high level of environmental performance at all times, and more so if air quality is called into question.

In Alberta, there are excellent examples of industry going above and beyond to ensure environmental protection. Many regulated facilities have demonstrated their commitment to voluntary stewardship by exceeding their regulatory environmental requirements under Alberta's *Environmental Protection and Enhancement Act* and the province's *Water Act*. For these environmental leaders, Alberta Environment has developed the EnviroVista Program.



There are two levels of participation: the EnviroVista Leaders level and the EnviroVista Champion level. To qualify as an EnviroVista Leader, a facility must demonstrate a minimum five years of approved emissions performance, have an audited environmental management system in place and no Alberta Environment prosecutions in the past five years. To remain an EnviroVista Leader, program participants must renew their status every year. To qualify as an EnviroVista Champion, a facility must first meet Leader criteria and in addition commit to a Stewardship Agreement.

This year, 30 companies have been recognized as EnviroVista leaders and champions. The success of the EnviroVista program shows that our corporate leaders are behind us when we say everyone has a role in protecting our land, air and water.

Other 2008-2009 accomplishments under Goal 4 include:

- The South East Alberta Watershed Alliance was designated as a Watershed Planning and Advisory Council for the South Saskatchewan River main-stem watershed.
- Stakeholders and communities in the Athabasca River Basin have been developing the Athabasca Watershed Planning and Advisory Council. Following a two-day forum in April 2008, focus groups were held with sectors and communities to name members to the Initiators Group. This group has made significant progress on their draft Strategic Plan and governance structure for the future Watershed Planning and Advisory Council.
- An Oil Sands Leadership Initiative established "stretch goals" to challenge mine and Steam Assisted Gravity Drainage operators to achieve better environmental outcomes.
- For the first time since the Water Management Framework was released in 2007, the department directed oil sands companies to reduce water withdrawal from the Athabasca River due to a naturally occurring low water flow in the region. Water withdrawals were permitted once normal river water levels returned.

## Giving Albertans More Ways to Recycle
### BEVERAGE CONTAINER RECYCLING PROGRAM

Alberta Environment conducted a thorough review of the province's beverage container recycling program regulations over the past two years, including consultations with Albertans and stakeholders. In October 2008, we announced two significant changes coming to the program: an increase in deposit-refund levels and the addition of milk containers into the regulated system.

Alberta is the first province in Canada to include milk containers in a regulated deposit-refund system. Our leadership demonstrates the Government of Alberta's commitment to divert as much waste as possible from our landfills, which supports the provincial waste reduction and conservation strategy, *Too Good to Waste*.

With milk moving to the deposit-refund system, Albertans will have equal opportunity to recycle these containers by simply taking them to a local bottle depot along with empty bottles and cans.

Effective November 1, 2008 any container one litre and under has a 10-cent deposit. Containers over one litre have a deposit of 25 cents. This is the first deposit increase in over 20 years. By including these containers in the deposit-refund system, the goal is to increase recycling rates to 85 per cent.

The deposit on milk containers comes into effect June 1, 2009, and containers can be returned to any bottle depot.

# Goal 4 Performance Measures

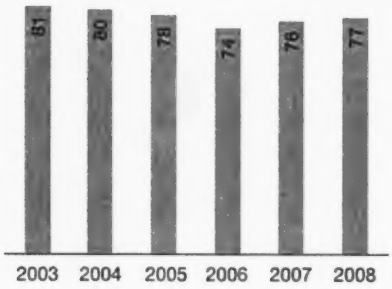
### 4a. Beverage Container Return Rate

Recycling is a major way for Albertans to take part in caring for the environment. The Beverage Container Return Rate measures the return rate of beverage containers each year based on sales and returns. The Beverage Container Return Rate is the primary measure of performance for the Beverage Container Management Board.

***Target***

- 85 per cent

Figure 7
**Beverage Container Return Rate (percentage)**




***Results Analysis***

It was another record year for containers being returned by Albertans in 2008 with over 1.6 billion containers returned. For the second year in a row there was an increase in the return rate. As we move towards a goal of 85 per cent the return rate is continuing to improve from 76 per cent in 2007 to 77 per cent in 2008. The number of containers returned increased by more than 42.9 million containers. With the November 1, 2008 increase in deposit refund rates for some containers, it is too early to determine the impact on the return rate. The increase is promising and is clearly representative of the commitment Albertans have to recycle empty beverage containers.

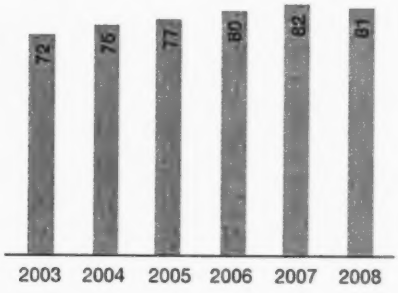
### 4b. Used Oil Recovery Rate

The Used Oil Recovery Rate measures the amount of used oil recovered each year as a percentage of the estimated volume of recoverable oil. The Used Oil Recovery Rate is a primary measure of performance for the Alberta Used Oil Management Association.

***Target***

- 81 per cent

Figure 8
**Used Oil Recovery Rate (percentage)**




***Results Analysis***

In 2008, 81 per cent of the used oil available for recycling was recovered, which met the target. The largest contributor to this result was the strong provincial economy for the first part of the year. There also continues to be an overall increase in awareness of the program.

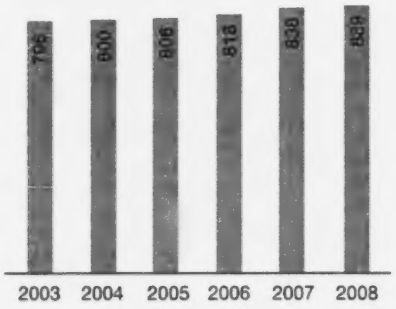
### 4c. Municipal Solid Waste to Landfills

The amount of municipal solid waste to landfills indicates Alberta's progress toward reducing the amount of municipal solid waste disposed of in landfills as measured in kilograms of waste per capita.

***Target***

- 800 kilograms per capita

Figure 9
**Municipal Solid Waste to Landfills**
**(kilograms per capita)**




***Results Analysis***

Municipal solid waste disposed in landfills increased from 838 kilograms per capita in 2007 to 839 kilograms per capita in 2008. A number of factors can influence this measure including specific waste reduction initiatives and the state of Alberta's economy. Waste from the residential sector, the industrial, commercial and institutional sector and the construction, renovation and demolition sectors can all be affected to various degrees by changes in economic activity. Initiatives currently under development, such as the Construction and Demolition Waste Reduction and Diversion Program, programs for packaging and printed material, organics and other key waste streams, will assist in meeting future targets.

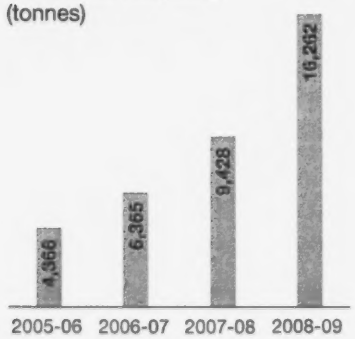
### 4d. Electronic Recycling

The volume of electronics processed is a measure of performance used by Alberta Recycling. Electronic Recycling measures the total tonnage of electronics collected and processed annually. Targets are set to achieve maximum recoverable volumes.

***Target***

- 15,663 tonnes

Figure 10
**Electronics Recycling**
**(tonnes)**



### *Results Analysis*

For the 2008-2009 fiscal year, the actual volume of electronics processed was 16,262 tonnes. The higher than projected volume was primarily due to processing a significant volume of inventory held at a municipal site.

## 4e. Facilities Implementing Stewardship

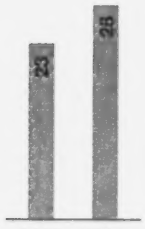
**Reviewed by Auditor General**

EnviroVista is a voluntary facility-based program which contributes to enhance the environment (air, water and land quality) through excellent emissions performance. The Facilities Implementing Stewardship measures the number of facilities recognized as EnviroVista Leaders.

### *Target*

- 28 facilities

Figure 11
**Facilities Implementing Stewardship (number of facilities)**




### *Results Analysis*

In the 2008 calendar year, 28 facilities met the EnviroVista Leader criteria, which exceed 23 facilities in 2007. EnviroVista Leaders operate under the Alberta's *Environmental Protection and Enhancement Act* and meet three qualifying criteria: they have an environmental management system in place, a five-year history without enforcement action and a five-year history of excellent emissions performance.

**GOAL 5** **Linked to Core Business 3 – Leading and Supporting the Development and Maintenance of Critical Regulatory Systems and Environmental Infrastructure**

## Environmental infrastructure is developed and sustained to meet the Government of Alberta desired outcomes

### GOING WITH THE FLOW

The next time you take to the water for a leisurely boat cruise, remember the stable water supply you're floating on is due in part to the dam operators in Alberta Environment's Water Management Operations. These staff members are responsible for the day to day operations and maintenance of all the provincially-owned dams in our province, including more than 200 water management systems. They work year-round to ensure a stable water supply for municipal, industrial, agricultural, conservation and recreational use.

Our dam operators flow with the annual cycle of the dams. In the winter, they must decide how much water to pass through the dam to satisfy the needs of downstream users. To mitigate floods during the spring snowmelt, operators slowly fill the reservoirs. This ensures the reservoirs can be safely filled during the unpredictable times of year when flooding can occur. Should a flood occur, the operator routes water to safely reduce the downstream water flows while maintaining the integrity of the dam. The skills of our dam operators are critical. No one wants to experience the effects of either too much or too little water.

This past fiscal year all Alberta's dams, canals and water management structures operated without incident. For Albertans, this means we had a reliable supply of water for irrigation and municipal use.

And for those who are avid recreational boaters, you'll be happy to know that the weir on the Bow River that diverts water into the Western Headworks canal is modified to be a boater- and fish-friendly structure. Construction started in December 2008, and the modified structure is expected to be fully operational by the 2011 season.

Other 2008-2009 accomplishments under Goal 5 includes:

- $300 million in capital funding was provided through various ministries over the next three years to support Alberta's *Water for Life* strategy.
- Alberta Environment created a new business unit, the Geographic Information Office. This unit will support the analysis of information for policy decisions and enable transparent and timely information-sharing with cross-ministry colleagues.

## On the Land

### ENVIRONMENTAL SITE ASSESSMENT REPOSITORY

Albertans are looking for assurance that their environment is clean. Our Environmental Site Assessment Repository is a tool to help fill this need. The online repository will provide detailed information about the quality of soil and groundwater on parcels of land throughout Alberta.

Not every parcel of land in Alberta is included in the Environmental Site Assessment Repository. The repository focuses on sites that require or benefit from environmental assessments. These sites are often retail gas stations and other commercial and industrial sites.

Sites represented in the Environmental Site Assessment Repository are not necessarily contaminated and may never have been contaminated. The repository wasn't developed for this purpose. It is meant to give Albertans fast and easy access to scientific and technical information about all assessed sites. Albertans can search for a site by legal land description, municipal address or by map. If information on a site is available, users can download, email and print relevant information and documents.

Detailed information about assessed land can be particularly useful to landowners, realtors and others when they are making land management and land purchase decisions. The Environmental Site Assessment Repository is a great example of how Alberta Environment is making the best use of web-based software to support the information and decision-making needs of Albertans.

# Goal 5 Performance Measures

## 5a. Effective Water Management Infrastructure

**Reviewed by Auditor General**

Effective Water Management Infrastructure (EWMI) includes physical assets such as dams, canals, and control structures. It measures the three aspects of provincially owned and operated water management infrastructure as required by the government's Capital Planning Initiative (CPI). Reporting of various levels of infrastructure performance for each measure in EWMI is based on the percentage of the replacement value of the infrastructure being assessed.

Quality infrastructure is a key factor in ensuring a clean and safe environment and is an essential building block to support economic development.

- **Physical Condition**
  Assessment of the state of physical fitness or readiness for use, based on established standards for the type of infrastructure asset. The physical condition is a critical factor involved in the decision to maintain, rehabilitate, or replace the infrastructure.

- **Functional Adequacy**
  Assessment of whether the asset is able to meet program requirements or provide an adequate level of service. While the asset may be in good physical condition with sufficient available capacity to meet demand, poor physical layout, inefficient design or inability to meet code requirements can make it functionally inadequate.

- **Utilization**
  Assessment of the ability of an asset to carry out its intended function based on current standards or practices, independent of physical condition. Significant over-utilization or under-utilization may indicate the need to construct, reconstruct, rehabilitate, dispose or reevaluate the need for the asset.

***Target***

- Physical Condition: Good – 93.0 per cent, Fair – 7.0 per cent, Poor – 0.0 per cent
- Functional Adequacy: 95.0 per cent
- Utilization: 99.0 per cent

Table 2
**Effective Water Management Infrastructure**

| Physical Condition | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|---|---|---|---|---|
| Good | 95.5% | 97.0% | 96.5% | 94.9% |
| Fair | 3.6% | 2.9% | 3.4% | 4.8% |
| Poor | 0.9% | 0.1% | 0.1% | 0.3% |
| **Functional Adequacy** | **2005-06** | **2006-07** | **2007-08** | **2008-09** |
| Adequate | 95.1% | 95.1% | 95.1% | 94.5% |
| Inadequate | 4.9% | 4.9% | 4.9% | 5.5% |
| **Utilization** | **2005-06** | **2006-07** | **2007-08** | **2008-09** |
| Good | 99.8% | 99.8% | 99.8% | 99.5% |
| Fair | 0.2% | 0.2% | 0.2% | 0.2% |
| Poor | 0.0% | 0.0% | 0.0% | 0.3% |

### *Results Analysis*

The effectiveness of the province's water management infrastructure continued to be high in 2008-2009.

*Physical Condition*

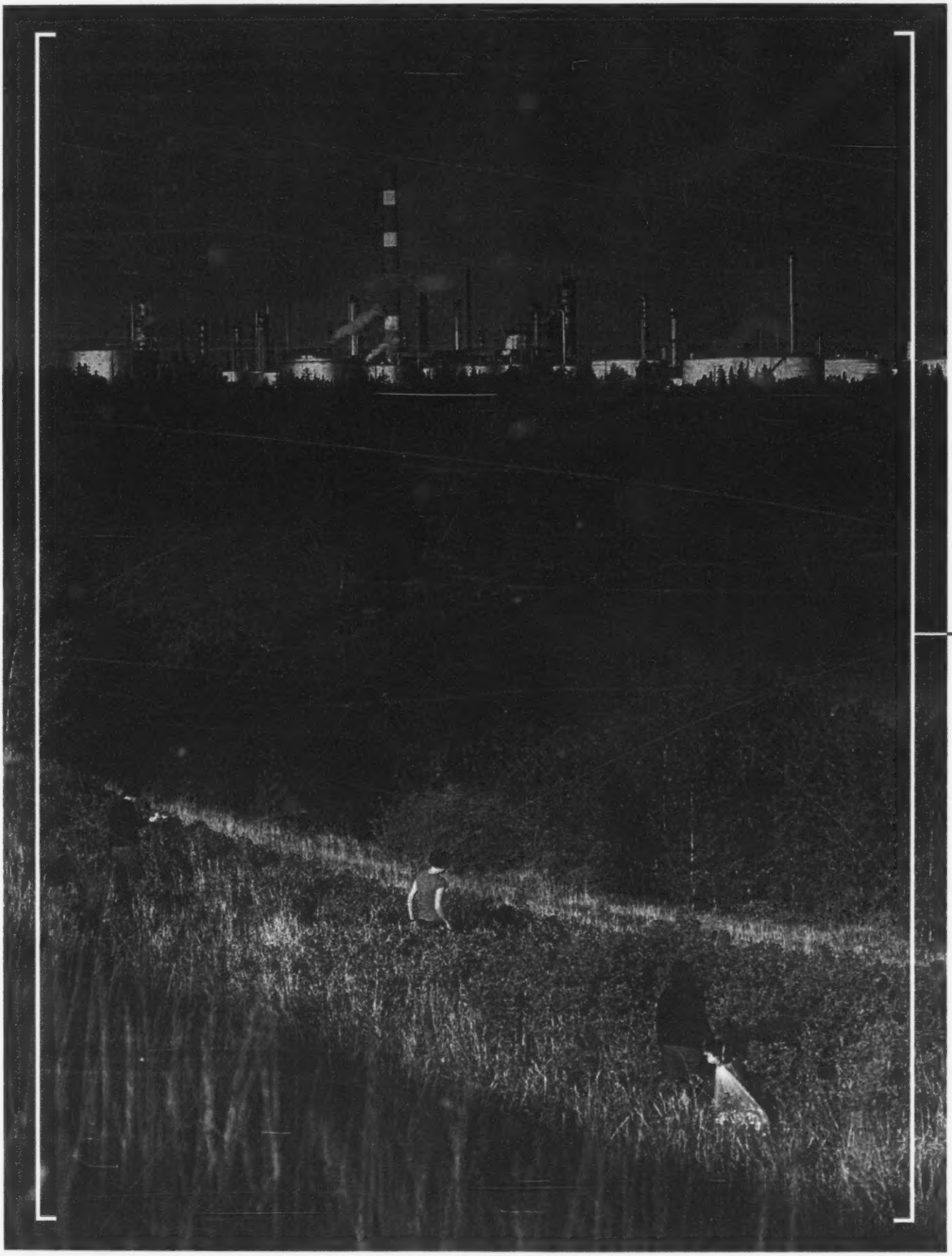
In 2008-2009, the percentage of the province's water management infrastructure in "good" physical condition was 94.9 per cent. This is a decrease of 1.6 per cent from the previous year, but exceeds the target of 93.0 per cent.

*Functional Adequacy*

The percentage of assets determined functionally adequate in 2008-2009 is 94.5 per cent, slightly less than the target of 95.0 per cent.

*Utilization*

"Good" utilization of water management infrastructure continued to be very high in 2008-2009 at 99.5 per cent. This exceeds our target of 99.0 per cent.



**GOAL 6** **Linked to Core Business 3 – Leading and Supporting the Development and Maintenance of Critical Regulatory Systems and Environmental Infrastructure**

## Alberta has a comprehensive, risk-based and flexible set of regulatory and non-regulatory tools and incentives to achieve environmental outcomes

## COMPLIANCE, EDUCATION, PREVENTION

On any given day our compliance officers are out working with Albertans to ensure they are making the best decision for our environment. Many Alberta business owners are required to have approvals or registrations for their operations. Alberta Environment's compliance officers work closely with these business owners and their staff to ensure they comply with the details of their approvals and registrations. Approvals set out conditions for a facility's operations, such as emission limits and the type of monitoring the facility must conduct.

Whether in the southern, central or northern region of the province, each region has an annual compliance inspection program. Compliance officers meet with facility owners and their staff and may review specific or all aspects of a facility's approval or registration. This can include taking samples of soil, groundwater, wastewater effluent, and of air emissions at their source. It also involves reviewing records, checking calibrations of monitoring equipment and ensuring that pollution abatement equipment is operational and operating properly.

While a large part of their work focuses on identifying and correcting areas of non-compliance, our inspectors also fill an important education role. A major part of their work involves working with industry and the community to emphasize prevention and education. Each year throughout the province, compliance officers conduct "sweeps" of industrial parks or towns and inspect small businesses to discuss waste management practices, and ensure proper waste storage, handling and disposal practices are followed. Because we all have a responsibility to make wise environmental decisions, every facility our inspectors visit is presented with an information package to help them develop effective waste management systems. When required, a follow-up visit takes place.

Alberta Environment's Compliance Inspection Program is part of Alberta Environment's overall Compliance Assurance and Enforcement Program, conducted under the authority of the *Environmental Protection and Enhancement Act*.

Other 2008-2009 accomplishments under Goal 6 include:

- Development began on regulatory changes to Alberta's Environmental Impact Assessments. Changes will be integrated into the Land-use Framework legislation.
- Groundwork commenced on new legislation to support cumulative effects management. The new legislation will coordinate with existing environmental legislation, and will take several years to complete due to the complex coordination process, which involves working with multiple partners across jurisdictions.
- The ministry exempted proposed transmission line projects from requiring Environmental Impact Assessments. Applied to high voltage lines, the exemption eliminated overlap with the Alberta Utility Commission in regulating transmission lines and reviewing major concerns related to routing and health. Resources previously involved in the assessments were redirected toward other environmental issues. Despite the new exemption, the Minister of Environment still maintains the power to order an Environmental Impact Assessment where required, and the ministry continues to respond to landowner concerns about environmental damage occurring during the construction, operation and reclamation of transmission lines.
- Alberta Environment led a cross-ministry working group to develop a Strategic Plan for Reclamation of Mineable Oil Sands. The plan will provide more specific guidance to resource managers on oil sands surface mine reclamation, policy development, and actions needed.
- In 2008, the Government of Alberta issued a revised manual for wetland reclamation in the oil sands.
- The Government of Alberta announced a ban on the sale of herbicide-fertilizer combination products in Alberta as of January 1, 2010, to reduce the amount of chemical run-off entering our waterways.
- The *Activities Designation Regulation* was amended to address synthesis gas plants in support of the growing interest in and the potential of gasification technology to reduce air emissions and enhance the use of our coal resources.
- The *Activities Designation Regulation* was revised to extend the time for transition from approvals to registrations for sand and gravel pits.

## Providing Environmental Assurance
### WATERFOWL PROTECTION PLANS

It is our responsibility to prevent and minimize environmental risks.

When waterfowl died after landing on a tailings pond at a Syncrude Canada Ltd. facility north of Fort McMurray in spring 2008, Alberta Environment and Sustainable Resource Development worked with oil sands companies to ensure the government has policies in place to minimize waterfowl mortality. Our work resulted in updates to the Waterfowl Protection Plans as required under the *Environmental Protection and Enhancement Act*.

The updates, jointly announced with Sustainable Resource Development in March 2009, include improved monitoring and documentation of avian mortality, timing of incidents, and species affected. Updates also involve incorporating new technologies and best practices.

With these new measures in place, our compliance inspectors have begun a proactive inspection program to ensure bird deterrent systems and monitoring programs employed by industry are effective. The program is specifically targeted at inspecting tailings ponds.

# Goal 6 Performance Measures

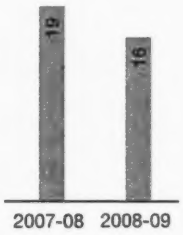
### 6a. Number of regulatory and non-regulatory tools under review/development

The number of new regulatory and non-regulatory tools that are actively under review or development are tracked during the fiscal period. These tools reflect Alberta's use of risk based comprehensive and flexible policy mechanisms. The measure provides a high level assessment of the activities and outputs of department staff in the development of environmental tools. The major categories of tools include innovative regulation, market based instruments, fiscal reform, cooperative management agreements, disclosure information, and voluntary stewardship/corporate social responsibility.

***Target***

- 10 tools

Figure 12
**Number of Regulatory and Non-regulatory Tools Under Review/Development**




***Results Analysis***

For the 2008-2009 fiscal year, there were 16 regulatory and non-regulatory tools under review/development. This exceeds the target by 6 tools which reflects Alberta Environment's commitment to develop efficient, cost effective and innovative strategies and policies to improve environmental outcomes.

# Performance Measure Data Sources and Methodology

## Goal 1

### 1a. Drinking Water Safety Indicator

The Drinking Water Safety Indicator is comprised of three separate sub-measures that collectively provide an indicator of the performance of regulated waterworks facilities in delivering safe drinking water to Albertans. Under the *Environmental Protection and Enhancement Act*, Alberta Environment regulates waterworks facilities that provide drinking water to Albertans, including campgrounds and rural subdivisions that use surface water sources, and all waterworks in villages, towns and cities. The indicator measures the success of Alberta's drinking water program, ensuring Albertans will continue to enjoy safe drinking water.

#### *Facility Design Standards*

The sub-measure is an assessment of an approved drinking water facility's design against newer Alberta Environment design standards. These standards are revised every five to 10 years. In January 2006, new standards were introduced and have been utilized for the facilities to which they apply. The reported results indicate the number of facilities that have been maintained or upgraded to meet newer requirements. Facilities existing prior to January 1, 2006, will be assessed against 1997 standards until they are transitioned to the 2006 standards. All new and modified/upgraded facilities will be compared against 2006 standards. Over time, facilities assessed against the 1997 standard will be assessed against the 2006 standard in accordance with the scheduled transition. Staff members at Alberta Environment update these assessments throughout the year and report the results annually. The reported results indicate if continuous improvement and upgrading is occurring at the regulated facilities.

#### *Facility Operational Requirements*

Approved drinking water facilities operate under conditions of an approval or registration issued under the *Environmental Protection and Enhancement Act*. This sub-measure shows incidents where required conditions have not been met and could lead to water quality concerns. Facilities are required to self-report non-compliance and in addition, Alberta Environment annually inspects approved facilities and reports the number of non-compliance incidents.

#### *Water Quality*

Regulated drinking water facilities must report on the quality of the treated water against specified limits. Alberta has adopted the health related limits of the Guidelines for Canadian Drinking Water Quality published by Health Canada as well as establishing treatment performance requirements. Most health related limits are a concern if the water is consumed over a long period of time, while performance requirements are of a more immediate concern. Intervention is needed in either case and may range from a public health advisory, preventing consumption of the water, to a requirement to upgrade a waterworks facility.

This sub-measure shows incidents where a water quality parameter exceeded established limits and identifies the total number of these non-compliance incidents on a provincial basis. Facilities are required to self-report non-compliance. In addition, Alberta Environment staff annually inspect approved facilities and report the number of non-compliance incidents.

Source: Alberta Environment

### 1b. Environmental Emergencies Response Indicator

Alberta Environment Support and Emergency Response Team (ASERT) Duty Officer receives information on an environmental emergency incident through the Coordination and Information Center. The ASERT Duty Officer assesses the incident information using the Environmental Classification System contained in the Deployment Protocol. Based on the assessment, ASERT makes a decision whether to deploy a regional responder (Primary) and if required, additional personnel. If deployment is required the ASERT Duty Officer will notify the Primary and request deployment to the scene.

The Environmental Emergency Response Indicator is calculated by the number of calls that meet the response timelines (55 minutes) divided by the total number of calls received in which a Primary is deployed for an environmental emergency. The response timelines are measured as the time that ASERT receives the information of an environmental emergency incident to the time that the ASERT Duty Officer notifies the Primary and requests deployment.

Source: Alberta Environment

### Goal 2

### 2a. Policy Capacity Indicator

Data is extracted from two source documents. Participation in internal (departmental) and Government of Alberta training is recorded in an internal registration system. Participation in the University of Alberta School of Business training is recorded in their own registration system. This data is then amalgamated and input into the database at the end of the 2nd and 3rd fiscal quarters to test the efficacy of the database and the report output. The 4th quarter report produces the figures used for the policy capacity training measure.

***Percentage of staff that have received policy capacity training***

The measure is calculated by dividing the total number of participants receiving policy training by the total number of staff. Each employee is counted once, regardless of number of courses taken. For example, the participation of the staff member in one course will exclude them from further increments; new participants are added to the previous total. This is a cumulative measure.

***Total number of policy training days taken per year***

This measure is an annual aggregate count of the number of policy training days taken per year. It includes all days of training including those from staff who have taken more than one course.

Source: Alberta Environment

## Goal 3

### 3a. Client Access to Information through Environment's Information Centre

Alberta Environments Information Centre conducts an annual survey among clients. Results are based on two forms of information gathering. One is a web-based survey and the second is a phone survey.

Clients are asked to rate their satisfaction on a scale of 1 - 5 where:
1 means Excellent
2 means Good
3 means Fair
4 means Poor
5 means Unacceptable

For reporting purposes, the "Excellent" and "Good" rating categories have been combined to represent Clients Satisfied.

In conducting the phone survey, the Information Centre uses services provided by Bell to program the phone system to notify callers that they can participate in a phone survey following their call. Information Officers transfer the calls to a pre-recorded system that walks the client through the survey. Callers can press a number to record their response or use voice commands.

When clients send emails to the Information Centre they are asked to complete a web-enabled survey. The completion of the survey is optional.

Source: Alberta Environment

## Goal 4

### 4a. Beverage Container Return Rate

The Beverage Container Management Board receives monthly sales and empty container return numbers from the Alberta Beverage Container Recycling Corporation, the approved Collection System Agent as defined in the Beverage Container Recycling Regulation for empty non-beer beverage containers.

Monthly sales and empty container return numbers are received from Brewers Distributor Limited, who is contracted by the Alberta Beer Container Corporation, the approved Collection System Agent as defined in the Beverage Container Recycling Regulation for empty beer containers.

The annual return rate is calculated by adding the audited annual empty beverage container returns of beer and non-beer and dividing that total by the manufacturers' reported beer and non-beer sales.

Source: Beverage Container Management Board

### 4b. Used Oil Recovery Rate

Volume of oil sold is calculated from remittances of the Environmental Handling Charge. Collectors of used oil calculate the volume of oil recovered from claims for the Return Incentive. The Alberta Used Oil Management Association estimates that 64.5 per cent of all oil sold is recoverable.

Companies provide the total volume sold (recoverable) and collectors are paid based on number of litres collected (recovered). The estimated volume of recoverable oil is calculated by taking the total volume sold multiplied by the current estimate of recoverable oil.

Source: Alberta Used Oil Management Authority

### 4c. Municipal Solid Waste to Landfills

This measure indicates Alberta's progress toward meeting a continuous reduction, on a per capita basis, of municipal solid waste disposed in municipal landfills. Waste from the residential sector; the industrial, commercial, and institutional sector; and the construction, renovation, and demolition sector is included in this measure. The calculation is based on the kilograms of municipal solid waste sent to each landfill and the population served by each applicable landfill. The measure is calculated using the most up to date population statistics, either Municipal Affairs' official provincial population list or Statistics Canada's Census data. For the 2008 result, the population list used was Municipal Affairs' official provincial population list.

The calculation can also be further divided to illustrate urban and regional disposal amounts. The information is collected from landfills with weigh scales and is voluntarily provided. Approximately 85 per cent of Alberta's population is served by reporting landfills. Estimates are used for the remaining population and are derived by multiplying measured urban and measured regional per capita disposal rates with unmeasured urban (if applicable) and unmeasured regional populations.

Source: Alberta Environment

### 4d. Electronic Recycling

On a monthly basis, companies report their sales of new electronics in Alberta with their surcharge remittances. Sales data provides the amount of material entering Alberta that will be discarded at some point in the future, which is then used to calculate the amount of old electronics that should be collected and processed through the program. These volumes are used to establish a recovery rate and targets for processed volumes.

Also on a monthly basis, municipal collection sites and processors submit invoices for funding including reports providing the amount of electronic material collected, processed and shipped to an approved use, with acceptable verification of these amounts. The data are aggregated to provide the annual results to be compared to the performance target.

Source: Alberta Recycling Management Authority

### 4e. Facilities Implementing Stewardship

Facilities must apply to become an EnviroVista Leader participant. To be eligible for acceptance into the Program, facilities must meet the three criteria. First, facilities must have an Environmental Management System in place. Robust management systems provide the right conditions for excellent performance and continuous improvement. A properly designed and implemented system helps organizations achieve and maintain compliance and improve their environmental performance in both regulated and non-regulated areas.

Secondly, facilities must have sound emissions performance illustrated through greater than 99.5 per cent compliance with each approval limit for hourly and daily source air emissions and daily industrial wastewater emissions averaged over a five-year period.

Finally, a sound record of environmental compliance must be reported by the facility. This includes providing a copy of an Environmental Enforcement Historical Search from the Environment Law Center covering at least five years with no *Environmental Protection and Enhancement Act* or *Water Act* prosecutions, enforcement orders, environmental protection orders, administrative penalties or warning letters.

To remain an EnviroVista Leader, program participants must renew their status every year.

Source: Alberta Environment

## Goal 5

### 5a. Effective Water Management Infrastructure

The Effective Water Management Infrastructure (EWMI) measure is an assessment of three aspects of an asset: physical condition, utilization, and functional adequacy of provincially-owned water management infrastructure. Assets include dams, canals and control structures. Reporting of various levels of infrastructure performance for each measure in EWMI is based on the percentage of the replacement value of the infrastructure being assessed.

Data and measures are based upon expert staff assessments using the documented rating systems templates. Initial assessments are subject to review and the approval of management and senior staff at Alberta Environment.

Workflow process and data are managed and housed in the Alberta Environment's electronic web-based Environment Infrastructure Management System (EIMS). Asset Inspection Instructions, Deficiency Reporting, a user training program and online help, ensures comparable performance ratings are obtained throughout the different regions within the province. Consistent language is used throughout the rating system.

A Consequence of Failure rating is also determined, and numerical values associated with this rating are combined in a matrix format with the Condition, Utilization and Functional Adequacy numerical rating values to determine a Risk Index value for each of the performance measures in EWMI.

Performance Measure and Risk Index information prioritizes and ranks projects to aid in the decision to maintain, rehabilitate or replace the infrastructure asset. This information is assessed by management staff at Alberta Environment and Alberta Transportation (funding agency) to provide a basis for good decision making to help ensure efficient and affective water management infrastructure.

Infrastructure is assessed using the Capital Planning Initiative rating criteria as follows:

Source: Alberta Environment

Table 3
**Capital Planning Initiative Rating Criteria**

| Physical Condition Rating | Textual Value | Meaning | Equivalent CPI Rating |
|---|---|---|---|
| 2 | Excellent | New or like new requiring minimal maintenance. | Good |
| 4 | Good | Fully operational and requiring minimal maintenance. | Good |
| 6 | Fair | Operational but requiring considerable ongoing maintenance. | Fair |
| 8 | Marginal | Operational but requiring excessive ongoing maintenance or failure may be possible during a major event. | Poor |
| 10 | Poor | Not operational or failure may be imminent or occurred. | Poor |
| **Functional Rating** | **Textual Value** | **Meaning** | **Equivalent CPI Rating** |
| 2 | Acceptable | The asset satisfies one of the following criteria, depending on the type of asset:<br>• Meets current Dam and Canal Safety Guidelines.<br>• Meets current operational requirements. | Adequate |
| 10 | Unacceptable | One of the following criteria applies to the asset, depending on the type of asset:<br>• Does not meet current Dam and Canal Safety Guidelines.<br>• Does not meet current operational requirements. | Inadequate |
| **Utilization Rating** | **Textual Value** | **Meaning** | **Equivalent CPI Rating** |
| 2 | Significantly Under | Significantly under target capacity range. | Good |
| 4 | Within | Within target capacity range. | Good |
| 6 | Somewhat Over | Somewhat over target capacity range. | Fair |
| 8 | Significantly Over | Significantly over target capacity range. | Poor |
| 10 | Beyond | Beyond target capacity range and applied factors of safety. | Poor |

## Goal 6

### 6a. Number of regulatory and non-regulatory tools under review/development

The Environmental Tools and Economics Team (ETET) is responsible for preparing an inventory of environmental tools/initiatives/programs/tools. A request to provide an inventory of new regulatory or non-regulatory tools that are actively under development/review during the fiscal period is sent to all Alberta Environment business units. The incoming data is reviewed and consolidated by the ETET team. The measure is calculated by an aggregate count of the total number of regulatory and non-regulatory tools under review/development.

Source: Alberta Environment

## Changes to Performance Measures Information

As Alberta Environment continues to implement strategies to improve its role as environmental manager and steward, performance measures are reviewed for effectiveness in charting the ministry's progress toward its goal. Alberta Environment is committed to developing, monitoring and reporting on the "best" measures available to reflect whether the ministry is having an effect in improving environmental outcomes.

The following changes made since the 2007-08 Annual Report will ensure the current measures are more appropriate either because they better reflect the ministry's evolving role, or because they conform better to standards for business planning and reporting.

- Policy Integration Indicator (Under Development) – discontinued after the 2007-08 reporting period
- Tire Recycling – discontinued after the 2007-08 reporting period
- Policy Capacity Indicator – discontinued for 2009-10
- Number of Regulatory and Non-regulatory tools under review/development – discontinued for 2009-10
- Number of Regulatory and Non-regulatory tools under development was renamed to Number of Regulatory and Non-regulatory tools under review/development
- Environmental Awareness Indicator (Under Development) – Results will be reported in 2009-10
- Personal Engagement Indicator (Under Development) – Results will be reported in 2009-10
- Paint Recycling (Under Development) – Results will be reported in 2009-10
- Industries/Companies Implementing Stewardship was renamed to Facilities Implementing Stewardship

Several performance measures descriptions were revised or further defined in 2008-09 in order to better track progress towards achievement of the ministry's goals. The revised definitions are:

- Policy Capacity Indicator
  - Percentage of staff that have received policy capacity training:
    Measures the percentage of staff having received policy training
  - Total number of policy training days taken per year:
    Measures the number of days of policy training taken by staff

- Municipal Solid Waste to Landfills –
  Measures Alberta's progress towards reducing the amount of municipal solid waste disposed in landfills as measured in kilograms of waste per capita

- Facilities Implementing Stewardship –
  Measures the number of facilities recognized as EnviroVista Leaders

- Number of regulatory and non-regulatory tools under review/development –
  Measures the number of new regulatory and non-regulatory tools that are under review/development. The full range of tools includes innovative regulation, market-based instruments/fiscal reform, cooperative management agreements, disclosure of information and voluntary stewardship programs/corporate social responsibility

- Drinking Water Safety Indicator
  - Facility Design Standards:
    Measures the percentage of facilities meeting the newest (1997 or 2006) standards, as applicable
  - Facility Operational Requirements:
    Measures the number incidents that could lead to water quality incidents where regulatory requirements have not been met
  - Water Quality:
    Measures the number of water quality incidents

Finally, the Drinking Water Safety Indicator Last Actual two sub-measures were updated to reflect the change in the data collection period January 1 to December 31.

- Facility Operational Requirements Last Actual was updated to 32 incidents in 2006 and 41 incidents in 2007
- Water Quality Last Actual was updated to 51 incidents in 2006 and 42 incidents in 2007

# Financial Information

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# Ministry of Environment

## CONSOLIDATED FINANCIAL STATEMENTS

Year Ended March 31, 2009

# Auditor's Report on Financial Results

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Environment as at March 31, 2009 and the consolidated statements of operations and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
August 6, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

# Consolidated Statement of Operations

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget (Schedule 4) | Actual | Actual (Restated – Note 11) |
| Revenues (Schedule 1) | | | |
| Internal Government Transfers | $ 3,175 | $ 2,108 | $ 1,934 |
| Transfers from Government of Canada | 51,967 | – | – |
| Premiums, Fees and Licenses | 5,713 | 2,415 | 3,274 |
| Climate Change and Emissions Management Fund | 92,000 | 85,261 | 60,324 |
| Other Revenue | 3,248 | 3,420 | 3,500 |
| | 156,103 | 93,204 | 69,032 |
| Expenses – Directly Incurred (Note 2b and Schedule 7) | | | |
| Voted (Schedules 3 and 5) | | | |
| Ministry Support Services | 18,072 | 22,208 | 18,786 |
| Environmental Assurance: | | | |
| Drinking Water | 1,965 | 2,462 | 1,020 |
| Monitoring and Evaluation | 13,646 | 15,918 | 14,457 |
| Standards | 6,000 | 6,418 | 6,800 |
| Climate Change | 82,274 | 9,947 | 4,919 |
| Innovation and Policy | 5,782 | 4,591 | 2,501 |
| Environmental Stewardship: | | | |
| Intergovernmental Relationships and Partnerships | 4,276 | 7,894 | 24,483 |
| Educational Awareness | 7,764 | 6,393 | 4,285 |
| Water for Life | 13,891 | 15,411 | 12,781 |
| Environmental Management: | | | |
| Integrated Resource Management | 10,456 | 13,939 | 12,998 |
| Approvals | 18,770 | 20,883 | 19,555 |
| Compliance and Enforcement | 10,555 | 11,447 | 10,112 |
| Water Operations | 15,118 | 16,403 | 101,073 |
| Emergency Response | 2,228 | 1,738 | 1,744 |
| Amortization of Tangible Capital Assets | 22,361 | 19,902 | 19,688 |
| Oil Sands Environmental Management: | | | |
| Oil Sands Innovation and Policy | 5,681 | 6,536 | 3,406 |
| Oil Sands Operations | 6,257 | 2,192 | 3,000 |
| | 245,096 | 184,282 | 261,608 |
| Statutory Programs (Schedules 3 and 5) | | | |
| Land Reclamation Program | 550 | 1,371 | 553 |
| Emergency Spills and Cleanups | 1,525 | 147 | 595 |
| Drought and Flood Emergencies | 600 | 90 | 286 |
| Valuation Adjustments | | | |
| Provision for Doubtful Accounts | – | (2) | 9 |
| Provision for Vacation Pay | 99 | 1,261 | 1,269 |
| Provision for Remediation and Reclamation | – | (40) | (12) |
| Grant to the Climate Change and Emissions Management Corporation | 155,000 | 145,585 | – |
| | 157,774 | 148,412 | 2,700 |
| Total Expenses | 402,870 | 332,694 | 264,308 |
| Gain on Disposal of Tangible Capital Assets | – | 4 | 15 |
| Net Operating Results | $ (246,767) | $ (239,486) | $ (195,261) |

The accompanying notes and schedules are part of these financial statements.

# Consolidated Statement of Financial Position

As at March 31, 2009 (in thousands)

| | 2009 Actual | 2008 Actual (Restated - Note 11) |
|---|---|---|
| ASSETS | | |
| Cash | $ 91,582 | $ 35,947 |
| Accounts Receivable (Note 3) | 54,926 | 25,694 |
| Advances | – | 14 |
| Tangible Capital Assets (Note 4) | 868,958 | 878,364 |
| | $ 1,015,466 | $ 940,019 |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities (Note 5) | $ 174,592 | $ 42,173 |
| Unearned Revenue (Note 6) | 156,522 | 156,593 |
| | 331,114 | 198,766 |
| NET ASSETS | | |
| Net Assets at Beginning of Year | 741,253 | 863,581 |
| Net Operating Results | (239,486) | (195,261) |
| Net Financing Provided from General Revenues | 182,585 | 72,933 |
| Net Assets at End of Year | 684,352 | 741,253 |
| | $ 1,015,466 | $ 940,019 |

The accompanying notes and schedules are part of these financial statements.

# Consolidated Statement of Cash Flow

Year ended March 31, 2009 (in thousands)

| | 2009 Actual | 2008 Actual (Restated - Note 11) |
|---|---|---|
| Operating Transactions | | |
| Net Operating Results | $ (239,486) | $ (196,261) |
| Non-cash items included in Net Operating Results | | |
| Amortization (Schedule 3) | 19,902 | 19,688 |
| Gain on Disposal of Tangible Capital Assets | (4) | (15) |
| Valuation Adjustments | 1,219 | 1,266 |
| | (218,369) | (174,322) |
| Increase in Accounts Receivable | (29,232) | (24,948) |
| Increase in Accounts Payable and Accrued Liabilities | 131,200 | 18,474 |
| Increase (Decrease) in Unearned Revenue | (71) | 156,000 |
| Cash Applied to Operating Transactions | (116,472) | (24,796) |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (2,180) | (1,256) |
| Disposal of Tangible Capital Assets | 4 | 15 |
| Transfer of Tangible Capital Assets to other Government Entities | 9 | 118 |
| Transfer of Tangible Capital Assets from other Government Entities | (8,325) | (11,256) |
| Cash Applied to Capital Transactions | (10,492) | (12,378) |
| Investing Transactions | | |
| Decrease (Increase) in Advances | 14 | (13) |
| Cash Provided by (Applied to) Investing Transactions | 14 | (13) |
| Financing Transactions | | |
| Net Financing Provided from General Revenues | 182,585 | 72,933 |
| Increase in Cash | 55,635 | 35,746 |
| Cash, Beginning of Year | 35,947 | 201 |
| Cash, End of Year | $ 91,582 | $ 35,947 |

The accompanying notes and schedules are part of these financial statements.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 1
## Authority and Purpose

The Ministry of Environment has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. The purpose of the ministry is to assure the effective stewardship of Alberta's environmental systems to sustain a high quality of life.

**Climate Change and Emissions Management Fund**

The CCEMF operates as follows:

- Revenues in the CCEMF are primarily from facilities' purchase of fund credits ($15 per tonne) used in meeting net emissions intensity limits. Facilities can also make improvements to their operations, purchase Alberta based offsets, or use emission performance credits. Emissions intensity is the ratio of greenhouse gas emissions to facilities' production for the period.
- Emission measurement involves the use of different methodologies including estimation techniques and use of emission factors. Such techniques can involve using equipment with varying degrees of precision. Use of different emission factors will produce different results.
- Management has provided guidance to facilities and verifiers for the calculation and verification of emissions intensity. Every facility submitting a compliance report is required to have a third party verify the report at a limited level of assurance. In a limited level of assurance engagement, verifiers perform procedures with the objective of assessing whether the information reported by facilities is plausible within the framework of the guidance provided by management.

The systems and processes including the offsets purchased by facilities are new and complex. Management believes that as the system evolves, and more guidance is developed, the calculation of emissions intensity will be refined through improved methodologies and data quality.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 2
## Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

### (a) Reporting Entity

The Ministry of Environment administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of Environment and constitute the reporting entity.

***Organization***

Department of Environment
Climate Change and Emissions Management Fund (CCEMF)

***Authority***

*Government Organization Act*
*Climate Change and Emissions Management Act*

### (b) Basis of Financial Reporting

***Revenues and Measurement Uncertainty***

Department

All revenues under the department are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Climate Change and Emissions Management Fund – Revenue

All revenues under CCEMF are reported on the accrual basis of accounting.

The revenues are measured from amounts assessed by management and from estimates of amounts not yet assessed. Revenues for the fiscal year also include adjustments between the estimated revenues of previous years and actual amounts.

Management has adopted a regulatory materiality threshold of 5 per cent on emissions or production reported per facility when calculating emissions intensity. This threshold limit requires facilities to correct and re-verify submissions where amounts exceed the 5 per cent limit. Management can require errors below the threshold to be corrected. Uncorrected amounts less than the 5 per cent limit for all facilities have not been quantified.

Climate Change and Emissions Management Fund – Measurement Uncertainty

Until assessed by management, revenue is estimated based on the amounts reported by the facilities in the compliance reports. The compliance period for facilities is on a calendar basis. The 2009 revenues include an estimate of $20,834 for the revenues owing for the period January 1 to March 31, 2009 (2008 – $20,108). These estimates are subject to measurement uncertainty and actual results could vary by a material amount.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 2
## Summary of Significant Accounting Policies and Reporting Practices

### (b) Basis of Financial Reporting (continued)

***Revenues and Measurement Uncertainty (continued)***

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

***Dedicated Revenue***

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget, and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the ministry's dedicated revenue initiatives.

***Expenses***

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met and a reasonable estimate of the amount can be made.

Incurred by Others

Services contributed by other entities in support of the ministry operations are disclosed in Schedule 6.

### *Assets*

Financial assets of the ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100 and the threshold for all other tangible capital assets is $5. All land is capitalized.

### *Liabilities*

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Environmental liabilities arise from the obligation to clean up contaminated sites (remediation) or to return disturbed land to an equivalent use (reclamation). A remediation or reclamation liability is recognized when the ministry is obligated to incur such costs and an amount can be reasonably estimated.

### *Net Assets*

Net assets represent the difference between the carrying value of assets held by the ministry and its liabilities.

### *Valuation of Financial Assets and Liabilities*

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 3
## Accounts Receivable

| | 2009 | | | 2008 (Restated) |
|---|---|---|---|---|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Climate Change and Emissions Management Fund | $ 54,098 | $ – | $ 54,098 | $ 24,748 |
| Other Sources | 500 | 6 | 494 | 431 |
| Transfer from the Environmental Protection and Enhancement Fund | 334 | – | 334 | 515 |
| | $ 54,932 | $ 6 | $ 54,926 | $ 25,694 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 4
## Tangible Capital Assets

| | Buildings | Equipment* | Computer Hardware & Software | Land Improvements | Bridges | Dam & Water Management Structures** | 2009 Total | 2008 Total |
|---|---|---|---|---|---|---|---|---|
| **Estimated Useful Life** | 10 years | 3-10 years | 5-10 Years | 40 years | 50 years | 25-80 years | | |
| **Historical Cost*** ** | | | | | | | | |
| Beginning of year | $ 4 | $ 12,571 | $ 20,175 | $ 49 | $ 469 | $ 1,159,784 | $ 1,193,052 | $ 1,180,754 |
| Additions | – | 1,931 | 249 | – | – | 8,376 | 10,556 | 12,540 |
| Disposals, including write downs | – | (140) | – | – | – | – | (140) | (242) |
| | $ 4 | $ 14,362 | $ 20,424 | $ 49 | $ 469 | $ 1,168,160 | $ 1,203,468 | $ 1,193,052 |
| **Accumulated Amortization** | | | | | | | | |
| Beginning of year | $ 1 | $ 5,730 | $ 16,429 | $ 5 | $ 65 | $ 292,439 | $ 314,688 | $ 296,035 |
| Amortization Expense | – | 942 | 837 | 2 | 9 | 18,112 | 19,902 | 19,688 |
| Effect of disposals | – | (80) | – | – | – | – | (80) | (95) |
| | $ 1 | $ 6,592 | $ 17,266 | $ 7 | $ 94 | $ 310,550 | $ 334,510 | $ 314,688 |
| **Net Book Value at March 31, 2009** | $ 3 | $ 7,770 | $ 3,158 | $ 42 | $ 375 | $ 857,610 | $ 868,958 | |
| **Net Book Value at March 31, 2008** | $ 3 | $ 6,841 | $ 3,746 | $ 44 | $ 395 | $ 867,345 | | $ 878,364 |

* Equipment includes vehicles, office, laboratory, heavy equipment and mobile equipment.

** Dams and water management structures include dams, reservoirs, weirs, canals, dykes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures, which are constructed by the Ministry of Transportation and transferred to the Ministry of Environment upon their completion.

*** Historical cost includes work-in-progress at March 31, 2009 totalling $1,513 comprised of: equipment $1,264 (2008 – $504); and computer hardware and software $249 (2008 – $213).

Changes to tangible capital assets were as follows:

| | 2009 | 2008 |
|---|---|---|
| Net Book Value at Beginning of Year | $ 878,364 | $ 885,659 |
| Purchase of Tangible Capital Assets | 2,180 | 1,255 |
| Net Book Value of Disposals and Write Downs | (51) | – |
| Transfer with Other Government Entities | 8,367 | 11,138 |
| Amortization of Tangible Capital Assets | (19,902) | (19,688) |
| Net Book Value at End of Year | $ 868,958 | $ 878,364 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 5
## Accounts Payable and Accrued Liabilities

As at March 31, 2009, the ministry has the following accounts payable and accrued liabilities:

| | 2009 | 2008 |
|---|---|---|
| General Accounts Payable | $ 917 | $ 16,446 |
| Accrued Liabilities | 162,469 | 16,067 |
| Site Remediation and Reclamation Obligations | 1,331 | 1,371 |
| Hold Back Liability | 225 | 125 |
| Accrued Vacation Pay | 9,350 | 8,089 |
| Damage/Security Deposits | 300 | 75 |
| | $ 174,592 | $ 42,173 |

## Note 6
## Unearned Revenue

As at March 31, 2009, the ministry has the following unearned revenues:

| | 2009 | 2008 |
|---|---|---|
| Canada ecoTrust for Clean Air and Climate Change | $ 155,860 | $ 155,860 |
| Unearned Lease and Water Power Rental Agreement Revenues | 662 | 733 |
| | $ 156,522 | $ 156,593 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 7
## Contractual Obligations

As at March 31, 2009, the ministry has the following contractual obligations:

| | | 2009 | | 2008 |
|---|---|---|---|---|
| Service contracts (a) (b) | $ | 8,873 | $ | 11,930 |
| Long term leases (c) | | 2,455 | | 2,681 |
| Grants | | | | |
| Waste Management Assistance Program | | 6,029 | | 3,749 |
| Various Other Programs | | 245 | | 185 |
| | $ | 17,602 | $ | 18,545 |

(a) The ministry has a contractual obligation with the Piikani Nation of $567 annually until 2009, $800 in 2010, and $800 adjusted annually by the Consumer Price Index every year thereafter.

(b) The ministry has a contractual obligation with the Siksika Nation of $127 based on 1984 constant dollars. This amount is adjusted annually by the preceding year's rate of change calculated from the GDP index every year thereafter.

(c) The ministry leases certain equipment under operating leases that expire on various dates to 2013. The aggregate amounts payable for the unexpired terms of these leases are as follows:

| | | |
|---|---|---|
| 2010 | $ | 1,181 |
| 2011 | | 945 |
| 2012 | | 207 |
| 2013 | | 122 |
| Total | $ | 2,455 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 8
## Contingent Liabilities

At March 31, 2009, the ministry is a defendant in 23 legal claims (2008 – 16 legal claims). Fifteen of these claims have specified amounts totaling $504,407 and the remaining eight have not specified any amount (2008 – 11 claims with a specified amount of $143,039 and the remaining five have no specified amount). Included in the total legal claims are six claims in which the ministry has been named as the sole defendant (2008 – three legal claims). Two of these claims have specified amounts totaling $2,341 and the remaining four claims have no specified amount (2008 – one claim with a specified amount of $46 and the remaining two claims have no specified amount).

In addition, there are 14 claims in which the ministry has been jointly named with other entities (2008 – nine legal claims). Ten of these claims have specified amounts totaling $501,709 including one claim totaling $2,080 which is partially covered at 25 per cent by the Alberta Risk Management Fund. The remaining four claims have no specified amount (2008 – six claims with specified amounts totaling $142,544 and the remaining three claims with no specified amount). Three claims amounting to $356 are covered fully by the Alberta Risk Management Fund (2008 – four claims with specified amounts totaling $449).

The resulting loss, if any, from these claims cannot be determined.

## Note 9
## Trust Fund Under Administration

The ministry administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the province has no equity in the fund and administers it for the purpose of the trust, it is not included in the ministry's financial statements.

At March 31, 2009, the trust fund under administration is as follows:

| | 2009 | 2008 |
|---|---|---|
| Environmental Protection Security Fund | $ 12,793 | $ 7,877 |

In addition to the above trust fund under administration, the ministry holds bank guarantees in the form of letters of credit and promissory notes in the amount of $1,105,340 (2008 – $867,988). The majority of these guarantees are held to assure satisfactory reclamation of coal and oil sands operations, sand and gravel pits, landfills, hazardous waste management and hazardous recyclable facilities.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 10
## Defined Benefit Plans

The ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $7,298 for the year ended March 31, 2009 (2008 – $6,319).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 deficiency – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus of $1,510).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan, an actuarial deficiency of $1,051 (2008 – actuarial surplus of $7,874). The expense for these two plans is limited to employer's annual contributions for the year.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 11
## Restatement of Prior Years

Based on agreement between the Ministry of Environment and Service Alberta, effective April 1, 2008, the budgetary responsibility for the functional reporting of information technology services was transferred to Service Alberta Service Alberta continues to provide the ministry with the services related to these functions, but no consideration is exchanged. Administrative costs for 2008 ($2,410) have been restated as if the ministry had never been assigned responsibility.

In 2008, CCEMF revenues included the revenues earned from July 1 to December 31, 2007, except an estimate was not made of the revenues owing for the period January 1 to March 31, 2008. The 2008 CCEMF revenue figure has been restated to include an estimate of $20,108 for the revenues owing for the period January 1 to March 31, 2008.

| | | |
|---|---|---|
| Net Operating Results, as previously reported at March 31, 2008 | $ | (217,779) |
| Plus: Expenses Transferred to Service Alberta | | 2,410 |
| Plus: CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Net Operating Results, as restated at April 1, 2008 | $ | (195,261) |

| | | |
|---|---|---|
| Accounts Receivable on March 31, 2008 is made up as follows: | | |
| Accounts Receivable as previously reported | $ | 5,586 |
| CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Accounts Receivable as restated at March 31, 2008 | $ | 25,694 |

| | | |
|---|---|---|
| Net Assets at Beginning of Year | $ | 721,145 |
| CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Net Assets at Beginning of Year as restated at April 1, 2008 | $ | 741,253 |

## Note 12
## Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

## Note 13
## Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

# Revenues

## Schedule 1

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Internal Government Transfers | | | |
| Transfer from Environmental Protection and Enhancement Fund | $ 2,675 | $ 1,608 | $ 1,434 |
| Transfer from the Lottery Fund | 500 | 500 | 500 |
| Transfers from Government of Canada | | | |
| Canada ecoTrust for Clean Air and Climate Change | 51,967 | – | – |
| | 55,142 | 2,108 | 1,934 |
| Premiums, Fees and Licenses | | | |
| Land and Grazing | 55 | 49 | 33 |
| Reclamation Certificates | 3,500 | 900 | 1,390 |
| Water Power Rentals | 650 | 853 | 910 |
| Other | 1,508 | 613 | 941 |
| | 5,713 | 2,415 | 3,274 |
| Other Revenue | | | |
| Industry Purchase of CCEMF Credits | 92,000 | 85,261 | 60,324 |
| Refunds of Expenditure | – | 417 | 415 |
| Water Resources | 2,900 | 2,762 | 2,961 |
| Other | 348 | 241 | 124 |
| | 95,248 | 88,681 | 63,824 |
| | $ 156,103 | $ 93,204 | $ 69,032 |

# Dedicated Revenues Initiatives

## Schedule 2

Year ended March 31, 2009 (in thousands)

| | 2009 | | |
|---|---|---|---|
| | Authorized Dedicated Revenue | Actual Dedicated Revenues | Shortfall |
| Reclamation Certificate | $ 3,500 | $ 893 | $ (2,607) |
| Remediation Certificate | 660 | – | (660) |
| Water Management Infrastructure | 2,900 | 2,420 | (480) |
| | $ 7,060 | $ 3,313 | $ (3,747) |

The Reclamation Certificate dedicated revenue initiative refers to the costs of conducting audits at sites that are certified under the upstream oil and gas reclamation program. Revenues are received through a reclamation certificate application fee.

The Remediation Certificate dedicated revenue initiative refers to the costs of conducting site audits that are certified under Alberta Environment's new Remediation Certificate Regulation. Revenues are received through a remediation site certificate application fee.

The Water Management Infrastructure dedicated revenue initiative refers to the maintenance and upgrading of the provincial water management infrastructure system. Revenues are received through the Use of Works Agreements whereby developers pay an annual fee to the province.

The dedicated revenue presented in this schedule is included in the ministry's Statement of Operations.

# Expenses – Directly Incurred Detailed by Object

**Schedule 3**

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Voted: | | | |
| Salaries, Wages and Employee Benefits | $ 92,232 | $ 91,262 | $ 79,930 |
| Supplies and Services | 69,906 | 54,812 | 45,101 |
| Grants | 60,467 | 18,047 | 117,192 |
| Financial Transactions and Other | 131 | 259 | 127 |
| Amortization of Tangible Capital Assets | 22,361 | 19,902 | 19,088 |
| | $ 245,096 | $ 184,282 | $ 261,438 |
| Statutory: | | | |
| Salaries, Wages and Employee Benefits | $ – | $ – | $ 191 |
| Supplies and Services | 2,675 | 1,518 | 1,093 |
| Grants | 155,000 | 145,675 | 193 |
| Valuation Adjustments | | | |
| Provision for Doubtful Accounts | – | (2) | 9 |
| Provision for Vacation Pay | 99 | 1,261 | 1,269 |
| Provision for Remediation and Reclamation | – | (43) | (12) |
| | $ 157,774 | $ 148,412 | $ 2,751 |

# Budget

## Schedule 4

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustment (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget |
|---|---|---|---|---|---|
| Internal Government Transfers | $ 3,175 | $ – | $ 3,175 | $ – | $ 3,175 |
| Transfers from Government of Canada | 51,967 | – | 51,967 | – | 51,967 |
| Premiums, Fees and Licenses | 5,713 | – | 5,713 | – | 5,713 |
| Climate Change and Emissions Management Fund | 92,000 | | 92,000 | | 92,000 |
| Other Revenue | 3,248 | – | 3,248 | – | 3,248 |
| | 156,103 | – | 156,103 | – | 156,103 |
| Ministry Support Services | 18,072 | – | 18,072 | – | 18,072 |
| Environmental Assurance: | | | | | |
| Drinking Water | 1,965 | – | 1,965 | – | 1,965 |
| Monitoring and Evaluation | 13,646 | – | 13,646 | – | 13,646 |
| Standards | 6,000 | – | 6,000 | – | 6,000 |
| Climate Change | 82,274 | – | 82,274 | – | 82,274 |
| Innovation and Policy | 5,782 | – | 5,782 | – | 5,782 |
| Environmental Stewardship: | | | | | |
| Intergovernmental Relationships and Partnerships | 4,276 | – | 4,276 | – | 4,276 |
| Educational Awareness | 7,764 | – | 7,764 | – | 7,764 |
| Water for Life | 13,891 | – | 13,891 | – | 13,891 |
| Environmental Management: | | | | | |
| Integrated Resource Management | 10,456 | – | 10,456 | – | 10,456 |
| Approvals | 18,770 | – | 18,770 | – | 18,770 |
| Compliance and Enforcement | 10,555 | – | 10,555 | – | 10,555 |
| Water Operations | 15,118 | – | 15,118 | – | 15,118 |
| Emergency Response | 2,228 | – | 2,228 | – | 2,228 |
| Amortization of Tangible Capital Assets | 22,361 | – | 22,361 | – | 22,361 |
| Oil Sands Environmental Management: | | | | | |
| Oil Sands Innovation and Policy | 5,681 | – | 5,681 | – | 5,681 |
| Oil Sands Operations | 6,257 | – | 6,257 | – | 6,257 |
| Dedicated Revenue Shortfall ( Schedule 2) | – | (3,747) | (3,747) | – | (3,747) |
| | 245,096 | (3,747) | 241,349 | – | 241,349 |
| Land Reclamation Program | 550 | – | 550 | – | 550 |
| Emergency Spills and Cleanups | 1,525 | – | 1,525 | – | 1,525 |
| Drought and Flood Emergencies | 600 | – | 600 | – | 600 |
| Valuation Adjustments | | | | | |
| Provision for Vacation Pay | 99 | – | 99 | – | 99 |
| Climate Change and Emissions Management | 155,000 | – | 155,000 | – | 155,000 |
| | 157,774 | – | 157,774 | – | 157,774 |
| | 402,870 | (3,747) | 399,123 | – | 399,123 |
| Net Operating Results | $ (246,767) | $ (3,747) | $ (243,020) | $ – | $ (243,020) |
| Equipment/Inventory Purchases | $ 3,144 | $ – | $ 3,144 | $ – | $ 3,144 |
| Non-Budgetary Disbursements | $ 1,100 | $ – | $ 1,100 | $ – | $ 1,100 |

* As of April 1, 2008, Integrated Information Solutions became a part of Strategic Support and Integration Division within Ministry Support Services.

(a) Adjustment includes dedicated revenue shortfall.

# Comparison of Expenses – Directly Incurred, Equipment/ Inventory Purchases and Statutory Expenses by Element to Authorized Budget

## Schedule 5

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustments (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget | 2008-2009 Actual Expense (b) | Unexpended (Over Expended) |
|---|---|---|---|---|---|---|---|
| **Voted Expenses and Capital Investment** | | | | | | | |
| **Ministry Support Services** | | | | | | | |
| 1.0.1 Minister's Office | $ 460 | $ – | $ 460 | $ – | $ 460 | $ 522 | $ (62) |
| 1.0.2 Cabinet Policy Committee on Resources and the Environment | 131 | – | 131 | – | 131 | 241 | (110) |
| 1.0.3 Deputy Minister's Office | 462 | – | 462 | – | 462 | 753 | (291) |
| 1.0.4 Communications | 693 | – | 693 | – | 693 | 1,248 | (555) |
| 1.0.5 People Services | 1,581 | – | 1,581 | – | 1,581 | 2,177 | (596) |
| 1.0.6 Legal Services | 296 | – | 296 | – | 296 | 168 | 128 |
| 1.0.7 Finance and Administration | 4,077 | – | 4,077 | – | 4,077 | 4,187 | (110) |
| 1.0.8 Strategic Support and Integration | | | | | | | |
| - Expense | 8,704 | – | 8,704 | – | 8,704 | 11,918 | (3,214) |
| - Equipment/Inventory Purchases | – | – | – | – | – | 99 | (99) |
| 1.0.9 Corporate Costs | 1,668 | – | 1,668 | – | 1,668 | 994 | 674 |
| TOTAL PROGRAM 1 | 18,072 | – | 18,072 | – | 18,072 | 22,307 | (4,235) |
| **Environmental Assurance** | | | | | | | |
| 2.0.1 Drinking Water | 1,965 | – | 1,965 | – | 1,965 | 2,462 | (497) |
| 2.0.2 Monitoring and Evaluation | | | | | | | |
| - Expense | 13,646 | – | 13,646 | – | 13,646 | 15,918 | (2,272) |
| - Equipment/Inventory Purchases | 255 | – | 255 | – | 255 | 17 | 238 |
| 2.0.3 Standards | 6,000 | – | 6,000 | – | 6,000 | 6,418 | (418) |
| 2.0.4 Climate Change | | | | | | | |
| - Expense | 82,274 | – | 82,274 | – | 82,274 | 9,947 | 72,327 |
| - Equipment/Inventory Purchases | – | – | – | – | – | 9 | (9) |
| 2.0.5 Innovation and Policy | 5,782 | – | 5,782 | – | 5,782 | 4,591 | 1,191 |
| TOTAL PROGRAM 2 | 109,922 | – | 109,922 | – | 109,922 | 39,362 | 70,560 |
| **Environmental Stewardship** | | | | | | | |
| 3.0.1 Intergovernmental Relationships and Partnerships | 4,276 | – | 4,276 | – | 4,276 | 7,894 | (3,618) |
| 3.0.2 Educational Awareness | | | | | | | |
| - Expense | 7,264 | – | 7,264 | – | 7,264 | 5,893 | 1,371 |
| - Expense funded by Lotteries | 500 | – | 500 | – | 500 | 500 | – |
| 3.0.3 Water For Life | | | | | | | |
| - Expense | 13,891 | – | 13,891 | – | 13,891 | 15,411 | (1,520) |
| - Equipment/Inventory Purchases | 2,759 | – | 2,759 | – | 2,759 | 1,599 | 1,160 |
| TOTAL PROGRAM 3 | 28,690 | – | 28,690 | – | 28,690 | 31,297 | (2,607) |

* As of April 1, 2008, Integrated Information Soutions became a part of Strategic Support and Integration Division within Ministry Support Services.
(a) Adjustments include dedicated revenue shortfall.
(b) Includes achievement bonus amounting to $2,215.

# Comparison of Expenses – Directly Incurred, Equipment/ Inventory Purchases and Statutory Expenses by Element to Authorized Budget

## Schedule 5

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustments (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget | 2008-2009 Actual Expense (b) | Unexpended (Over Expended) |
|---|---|---|---|---|---|---|---|
| **Voted Expenses and Capital Investment – (continued)** | | | | | | | |
| **Environmental Management** | | | | | | | |
| 4.0.1 Integrated Resource Management | $ 10,456 | $ – | $ 10,456 | $ – | $ 10,456 | $ 13,939 | $ (3,483) |
| 4.0.2 Approvals | | | | | | | |
| · Expense | 18,770 | – | 18,770 | – | 18,770 | 20,883 | (2,113) |
| · Equipment/Inventory Purchases | – | – | – | – | – | 17 | (17) |
| 4.0.3 Compliance and Enforcement | 10,555 | – | 10,555 | – | 10,555 | 11,447 | (892) |
| 4.0.4 Water Operations | | | | | | | |
| · Expense | 15,118 | – | 15,118 | – | 15,118 | 16,403 | (1,285) |
| · Equipment/Inventory Purchases | 30 | – | 30 | – | 30 | 152 | (122) |
| 4.0.5 Emergency Response | | | | | | | |
| · Expense | 2,228 | – | 2,228 | – | 2,228 | 1,738 | 490 |
| · Equipment/Inventory Purchases | 100 | – | 100 | – | 100 | 230 | (130) |
| 4.0.6 Amortization of Tangible Capital Assets | 22,361 | – | 22,361 | – | 22,361 | 19,902 | 2,459 |
| TOTAL PROGRAM 4 | 79,618 | – | 79,618 | – | 79,618 | 84,711 | (5,093) |
| **Oil Sands Environmental Management** | | | | | | | |
| 5.0.1 Oil Sands Innovation and Policy | | | | | | | |
| · Expense | 5,681 | – | 5,681 | – | 5,681 | 6,536 | (855) |
| · Equipment/Inventory Purchases | – | – | – | – | – | 50 | (50) |
| 5.0.2 Oil Sands Operations | | | | | | | |
| · Expense | 6,257 | – | 6,257 | – | 6,257 | 2,192 | 4,065 |
| · Equipment/Inventory Purchases | – | – | – | – | – | 7 | (7) |
| TOTAL PROGRAM 5 | 11,938 | – | 11,938 | – | 11,938 | 8,785 | 3,153 |
| **Voted Expenses and Equipment/Inventory Purchases** | | | | | | | |
| Dedicated Revenue Shortfall (Schedule 2) | $ – | $ (3,747) | $ (3,747) | $ – | $ (3,747) | $ – | $ (3,747) |
| | $ – | $ (3,747) | $ (3,747) | $ – | $ (3,747) | $ – | $ (3,747) |
| Operating Expense | 245,096 | (3,747) | 241,349 | – | 241,349 | 184,282 | 57,067 |
| Equipment/Inventory Purchases | 3,144 | – | 3,144 | – | 3,144 | 2,180 | 964 |
| | $248,240 | $ (3,747) | $244,493 | $ – | $244,493 | $186,462 | $ 58,031 |
| **Statutory Expenses** | | | | | | | |
| Land Reclamation Program | $ 550 | $ – | $ 550 | $ – | $ 550 | $ 1,371 | $ (821) |
| Emergency Spills and Cleanups | 1,525 | – | 1,525 | – | 1,525 | 147 | 1,378 |
| Drought and Flood Emergencies | 600 | – | 600 | – | 600 | 90 | 510 |
| Valuation Adjustments | 99 | – | 99 | – | 99 | 1,219 | (1,120) |
| Climate Change and Emissions Management | 155,000 | – | 155,000 | – | 155,000 | 145,585 | 9,415 |
| | $157,774 | $ – | $157,774 | $ – | $157,774 | $148,412 | $ 9,362 |
| **Non-Budgetary Disbursements** | | | | | | | |
| Intergovernmental Relationships and Partnerships | 1,000 | – | 1,000 | – | 1,000 | 1,000 | – |
| Approvals | 100 | – | 100 | – | 100 | – | 100 |
| | $ 1,100 | $ – | $ 1,100 | $ – | $ 1,100 | $ 1,000 | $ 100 |

* As of April 1, 2008, Integrated Information Solutions became a part of Strategic Support and Integration Division within Ministry Support Services.
(a) Adjustments include dedicated revenue shortfall.
(b) Includes achievement bonus amounting to $2,215.

# Related Party Transactions

## Schedule 6

Year ended March 31, 2009 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Other Entities | |
|---|---|---|
| | **2009** | 2008 |
| Revenue | | |
| Internal Government Transfers | $ 2,108 | $ 1,934 |
| | $ 2,108 | $ 1,934 |
| Expenses – Directly Incurred | | |
| Grants | $ 1,500 | $ 3,075 |
| Other Services | $ 4,338 | $ 2,977 |
| | $ 5,838 | $ 6,052 |
| Tangible Capital Assets Transferred | $ 8,367 | $ 11,138 |
| Payable to | $ 3,639 | $ 3,807 |
| Receivable from | $ 335 | $ 515 |

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

| | Other Entities | |
|---|---|---|
| | **2009** | 2008 |
| Expenses – Incurred by Others | | |
| Accommodation | $ 7,779 | $ 6,804 |
| Legal | 2,587 | 2,685 |
| Water Management Infrastructure Maintenance | 5,828 | 4,785 |
| Service Alberta | 5,825 | 5,929 |
| | $ 22,019 | $ 20,203 |

# Allocated Costs

## Schedule 7

Year ended March 31, 2009 (in thousands)

| | 2009 | | | | | | | | 2008 |
|---|---|---|---|---|---|---|---|---|---|
| | | Expenses – Incurred by Others | | | | Valuation Adjustments | | | |
| Program | Expenses[1] | Accommodation Costs[2] | Legal Services[3] | Water Management Infrastructure Maintenance | Service Alberta | Vacation Pay[4] | Doubtful Accounts | Remediation and Reclamation | Expenses | Expenses |
| Ministry Support Services | $ 22,208 | $ 1,101 | $ 610 | $ – | $ 5,825 | $ 494 | $ (2) | $ – | $ 30,236 | $ 25,835 |
| Drinking Water | 2,462 | 88 | 5 | – | – | 106 | – | – | 2,661 | 1,153 |
| Monitoring and Evaluation | 15,918 | 752 | 37 | – | – | (5) | – | – | 16,702 | 15,388 |
| Standards | 6,418 | 454 | 16 | – | – | (105) | – | – | 6,783 | 7,285 |
| Climate Change | 9,947 | 61 | 224 | – | – | 38 | – | – | 10,270 | 5,072 |
| Innovation and Policy | 4,591 | 18 | 16 | – | – | 202 | – | – | 4,827 | 2,117 |
| Reclamation and Emergency Preparedness | 1,608 | – | – | – | – | – | – | – | 1,608 | 1,430 |
| Intergovernmental Relationships and Partnerships | 7,894 | 260 | 27 | – | – | (65) | – | – | 8,136 | 24,948 |
| Educational Awareness | 6,393 | 219 | 49 | – | – | 43 | – | – | 6,704 | 4,579 |
| Water for Life | 15,411 | 201 | 88 | – | – | 100 | – | – | 15,800 | 13,200 |
| Integrated Resource Management | 13,939 | 970 | 276 | – | – | (34) | – | – | 15,151 | 14,297 |
| Approvals | 20,883 | 1,503 | 495 | – | – | 235 | – | (40) | 23,076 | 21,660 |
| Compliance and Enforcement | 11,447 | 865 | 278 | – | – | 106 | – | – | 12,696 | 11,358 |
| Water Operations | 16,403 | 848 | 399 | 5,828 | – | 66 | – | – | 23,544 | 107,545 |
| Emergency Response | 1,738 | 96 | 59 | – | – | 13 | – | – | 1,906 | 1,993 |
| Amortization of Tangible Capital Assets | 19,902 | – | – | – | – | – | – | – | 19,902 | 19,688 |
| Oil Sands Innovation and Policy | 6,536 | 323 | 4 | – | – | 67 | – | – | 6,930 | 3,954 |
| Oil Sands Operations | 2,192 | – | 4 | – | – | – | – | – | 2,196 | 3,009 |
| | $ 185,890 | $ 7,779 | $ 2,587 | $ 5,828 | $ 5,825 | $ 1,261 | $ (2) | $ (40) | $ 209,128 | $ 284,511 |

(1) Expenses – Directly incurred as per Statement of Operations, excluding valuation adjustments.
(2) Costs shown for Accommodation on Schedule 6, allocated by budgeted Full-Time Equivalent Employment.
(3) Costs shown for Legal Services on Schedule 6, allocated by estimated costs by each program.
(4) Valuation Adjustments as per Statement of Operations. Vacation Pay is allocated by employee.

# Department of Environment

## FINANCIAL STATEMENTS

Year Ended March 31, 2009

# Auditor's Report on Financial Results

To the Minister of Environment

I have audited the statement of financial position of the Department of Environment as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 16, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

# Statement of Operations

Year ended March 31, 2009 (in thousands)

| | 2009 Budget (Schedule 4) | 2009 Actual | 2008 Actual (Restated - Note 11) |
|---|---|---|---|
| Revenues (Schedule 1) | | | |
| Internal Government Transfers | $ 3,175 | $ 2,108 | $ 1,934 |
| Transfers from Government of Canada | 51,967 | – | – |
| Premiums, Fees and Licenses | 5,713 | 2,415 | 3,274 |
| Other Revenue | 3,248 | 3,420 | 3,500 |
| | 64,103 | 7,943 | 8,708 |
| Expenses – Directly Incurred (Note 2b and Schedule 8) | | | |
| Voted (Schedules 3 and 5) | | | |
| Ministry Support Services | 18,072 | 22,208 | 18,786 |
| Environmental Assurance: | | | |
| Drinking Water | 1,965 | 2,462 | 1,020 |
| Monitoring and Evaluation | 13,646 | 15,918 | 14,457 |
| Standards | 6,000 | 6,418 | 6,800 |
| Climate Change | 82,274 | 9,947 | 4,919 |
| Innovation and Policy | 5,782 | 4,591 | 2,501 |
| Environmental Stewardship: | | | |
| Intergovernmental Relationships and Partnerships | 4,276 | 7,894 | 24,483 |
| Educational Awareness | 7,764 | 6,393 | 4,285 |
| Water for Life | 13,891 | 15,411 | 12,781 |
| Environmental Management: | | | |
| Integrated Resource Management | 10,456 | 13,939 | 12,998 |
| Approvals | 18,770 | 20,883 | 19,555 |
| Compliance and Enforcement | 10,555 | 11,447 | 10,112 |
| Water Operations | 15,118 | 16,403 | 101,073 |
| Emergency Response | 2,228 | 1,738 | 1,744 |
| Amortization of Tangible Capital Assets | 22,361 | 19,902 | 19,688 |
| Oil Sands Environmental Management: | | | |
| Oil Sands Innovation and Policy | 5,681 | 6,536 | 3,406 |
| Oil Sands Operations | 6,257 | 2,192 | 3,000 |
| | 245,096 | 184,282 | 261,608 |
| Statutory Programs (Schedules 3 and 5) | | | |
| Land Reclamation Program | 550 | 1,371 | 553 |
| Emergency Spills and Cleanups | 1,525 | 147 | 595 |
| Drought and Flood Emergencies | 600 | 90 | 286 |
| Valuation Adjustments | | | |
| Provision for Doubtful Accounts | – | (2) | 9 |
| Provision for Vacation Pay | 99 | 1,261 | 1,269 |
| Provision for Remediation and Reclamation | – | (40) | (12) |
| | 2,774 | 2,827 | 2,700 |
| Total Expenses | 247,870 | 187,109 | 264,308 |
| Gain on Disposal of Tangible Capital Assets | – | 4 | 15 |
| Net Operating Results | $ (183,767) | $ (179,162) | $ (255,585) |

The accompanying notes and schedules are part of these financial statements.

# Statement of Financial Position

As at March 31, 2009 (in thousands)

| | 2009 | 2008 (Restated – Note 11) |
|---|---|---|
| ASSETS | | |
| Cash | $ 67 | $ 371 |
| Accounts Receivable (Note 3) | 828 | 946 |
| Advances | – | 14 |
| Tangible Capital Assets (Note 4) | 868,958 | 878,364 |
| | $ 869,853 | $ 879,695 |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities (Note 5) | $ 28,979 | $ 42,173 |
| Unearned Revenue (Note 6) | 156,522 | 156,593 |
| | 185,501 | 198,766 |
| NET ASSETS | | |
| Net Assets at Beginning of Year | 680,929 | 863,581 |
| Net Operating Results | (179,162) | (255,585) |
| Net Financing Provided from General Revenues | 182,585 | 72,933 |
| Net Assets at End of Year | 684,352 | 680,929 |
| | $ 869,853 | $ 879,695 |

The accompanying notes and schedules are part of these financial statements.

# Statement of Cash Flow

Year ended March 31, 2009 (in thousands)

| | 2009 Actual | 2008 Actual (Restated - Note 11) |
|---|---|---|
| Operating Transactions | | |
| Net Operating Results | $ (179,162) | $ (255,585) |
| Non-cash items included in Net Operating Results | | |
| Amortization (Schedule 3) | 19,902 | 19,688 |
| Gain on Disposal of Tangible Capital Assets | (4) | (15) |
| Valuation Adjustments | 1,219 | 1,266 |
| | (158,045) | (234,646) |
| Decrease (Increase) in Accounts Receivable | 118 | (200) |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | (14,413) | 18,474 |
| Increase (Decrease) in Unearned Revenue | (71) | 156,000 |
| Cash Applied to Operating Transactions | (172,411) | (60,372) |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (2,180) | (1,255) |
| Disposal of Tangible Capital Assets | 4 | 15 |
| Transfer of Tangible Capital Assets to other Government Entities | 9 | 118 |
| Transfer of Tangible Capital Assets from other Government Entities | (8,325) | (11,256) |
| Cash Applied to Capital Transactions | (10,492) | (12,378) |
| Investing Transactions | | |
| Decrease (Increase) in Advances | 14 | (13) |
| Cash Provided by (Applied to) Investing Transactions | 14 | (13) |
| Financing Transactions | | |
| Net Financing Provided from General Revenues | 182,585 | 72,933 |
| Increase (Decrease) in Cash | (304) | 170 |
| Cash, Beginning of Year | 371 | 201 |
| Cash, End of Year | $ 67 | $ 371 |

The accompanying notes and schedules are part of these financial statements.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 1
## Authority and Purpose

The Department of Environment operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the department is to assure the effective stewardship of Alberta's environmental systems to sustain a high quality of life.

## Note 2
## Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

### (a) Reporting Entity

The reporting entity is the Department of Environment for which the Minister of Environment is accountable. All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

### (b) Basis of Financial Reporting

***Revenues***

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

***Dedicated Revenue***

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the department's dedicated revenue initiatives.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

### *Expenses*

Directly Incurred

Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the department operations are disclosed in Schedule 7.

### *Assets*

Financial assets of the department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100 and the threshold for all other tangible capital assets is $5. All land is capitalized.

### *Liabilities*

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Environmental liabilities arise from the obligation to clean up contaminated sites (remediation) or to return disturbed land to an equivalent use (reclamation). A remediation or reclamation liability is recognized when the department is obligated to incur such costs and an amount can be reasonably estimated.

### *Net Assets*

Net assets represents the difference between the carrying value of assets held by the department and its liabilities.

### *Valuation of Financial Assets and Liabilities*

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 3
## Accounts Receivable

| | 2009 | | | 2008 |
|---|---|---|---|---|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Other Sources | 500 | 6 | 494 | 431 |
| Transfer from the Environmental Protection and Enhancement Fund | 334 | – | 334 | 515 |
| | $ 834 | $ 6 | $ 828 | $ 946 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 4
## Tangible Capital Assets

| | Buildings | Equipment* | Computer Hardware & Software | Land Improvements | Bridges | Dam & Water Management Structures** | 2009 Total | 2008 Total |
|---|---|---|---|---|---|---|---|---|
| **Estimated Useful Life** | 10 years | 3-10 years | 5-10 Years | 40 years | 50 years | 25-60 years | | |
| **Historical Cost*** ** | | | | | | | | |
| Beginning of year | $ 4 | $ 12,571 | $ 20,175 | $ 49 | $ 469 | $ 1,159,764 | $ 1,193,052 | $ 1,180,754 |
| Additions | – | 1,931 | 249 | – | – | 8,376 | 10,556 | 12,540 |
| Disposals, including write downs | – | (140) | – | – | – | – | (140) | (242) |
| | $ 4 | $ 14,362 | $ 20,424 | $ 49 | $ 469 | $ 1,168,160 | $ 1,203,468 | $ 1,193,052 |
| **Accumulated Amortization** | | | | | | | | |
| Beginning of year | $ 1 | $ 5,730 | $ 16,429 | $ 5 | $ 86 | $ 292,438 | $ 314,688 | $ 295,096 |
| Amortization Expense | – | 942 | 837 | 2 | 9 | 18,112 | 19,902 | 19,668 |
| Effect of disposals | – | (80) | – | – | – | – | (80) | (76) |
| | $ 1 | $ 6,592 | $ 17,266 | $ 7 | $ 94 | $ 310,550 | $ 334,510 | $ 314,688 |
| **Net Book Value at March 31, 2009** | $ 3 | $ 7,770 | $ 3,158 | $ 42 | $ 375 | $ 857,610 | $ 868,958 | |
| **Net Book Value at March 31, 2008** | $ 3 | $ 6,841 | $ 3,746 | $ 44 | $ 365 | $ 867,345 | | $ 878,364 |

* Equipment includes vehicles, office, laboratory, heavy equipment and mobile equipment.

** Dams and water management structures include dams, reservoirs, weirs, canals, dykes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures, which are constructed by the Ministry of Transportation and transferred to the Ministry of Environment upon their completion.

*** Historical cost includes work-in-progress at March 31, 2009 totaling $1,513 comprised of: equipment $1,264 (2008 – $304); and computer hardware and software $249 (2008 – $213).

Changes to tangible capital assets were as follows:

| | 2009 | 2008 |
|---|---|---|
| Net Book Value at Beginning of Year | $ 878,364 | $ 885,659 |
| Purchase of Tangible Capital Assets | 2,180 | 1,255 |
| Net Book Value of Disposals and Write Downs | (51) | – |
| Transfer with Other Government Entities | 8,367 | 11,138 |
| Amortization of Tangible Capital Assets | (19,902) | (19,688) |
| Net Book Value at End of Year | $ 868,958 | $ 878,364 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 5
## Accounts Payable and Accrued Liabilities

As at March 31, 2009, the department has the following accounts payable and accrued liabilities:

| | 2009 | 2008 |
|---|---|---|
| General Accounts Payable | $ 917 | $ 16,446 |
| Accrued Liabilities | 16,856 | 16,067 |
| Site Remediation and Reclamation Obligations | 1,331 | 1,371 |
| Hold Back Liability | 225 | 125 |
| Accrued Vacation Pay | 9,350 | 8,089 |
| Damage/Security Deposits | 300 | 75 |
| | $ 28,979 | $ 42,173 |

## Note 6
## Unearned Revenue

As at March 31, 2009, the department has the following unearned revenues:

| | 2009 | 2008 |
|---|---|---|
| Canada ecoTrust for Clean Air and Climate Change | $ 155,860 | $ 155,860 |
| Unearned Lease and Water Power Rental Agreement Revenues | 662 | 733 |
| | $ 156,522 | $ 156,593 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 7
## Contractual Obligations

As at March 31, 2009, the department has the following contractual obligations:

| | | 2009 | | 2008 |
|---|---|---|---|---|
| Service contracts (a) (b) | $ | 8,873 | $ | 11,930 |
| Long term leases (c) | | 2,455 | | 2,681 |
| Grants | | | | |
| Waste Management Assistance Program | | 6,029 | | 3,749 |
| Various Other Programs | | 245 | | 185 |
| | $ | 17,602 | $ | 18,545 |

(a) The department has a contractual obligation with the Piikani Nation of $567 annually until 2009, $800 in 2010, and $800 adjusted annually by the Consumer Price Index every year thereafter.

(b) The department has a contractual obligation with the Siksika Nation of $127 based on 1984 constant dollars. This amount is adjusted annually by the preceding year's rate of change calculated from the GDP index every year thereafter.

(c) The department leases certain equipment under operating leases that expire on various dates to 2013. The aggregate amounts payable for the unexpired terms of these leases are as follows:

| | | |
|---|---|---|
| 2010 | $ | 1,181 |
| 2011 | | 945 |
| 2012 | | 207 |
| 2013 | | 122 |
| Total | $ | 2,455 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 8
## Contingent Liabilities

At March 31, 2009, the department is a defendant in 23 legal claims (2008 – 16 legal claims). Fifteen of these claims have specified amounts totaling $504,407 and the remaining eight have not specified any amount (2008 – 11 claims with a specified amount of $143,039 and the remaining five with no specified amount). Included in the total legal claims are six claims in which the department has been named as the sole defendant (2008 – three legal claims). Two of these claims have specified amounts totaling $2,341 and the remaining four claims have no specified amount (2008 – one claim with a specified amount of $46 and the remaining two claims have no specified amount).

In addition, there are 14 claims in which the department has been jointly named with other entities (2008 – nine legal claims). Ten of these claims have specified amounts totaling $501,709 including one claim totaling $2,080 which is partially covered at 25 per cent by the Alberta Risk Management Fund. The remaining four claims have no specified amount (2008 – six claims with specified amounts totaling $142,544 and the remaining three claims with no specified amount). Three claims amounting to $356 are covered fully by the Alberta Risk Management Fund (2008 – four claims with specified amounts totaling $449).

The resulting loss, if any, from these claims cannot be determined.

## Note 9
## Trust Fund Under Administration

The department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the province has no equity in the fund and administers it for the purpose of the trust, it is not included in the department's financial statements.

At March 31, 2009, the trust fund under administration is as follows:

| | 2009 | 2008 |
|---|---|---|
| Environmental Protection Security Fund | $ 12,793 | $ 7,877 |

In addition to the above trust fund under administration, the department holds bank guarantees in the form of letters of credit and promissory notes in the amount of $1,105,340 (2008 – $867,988). The majority of these guarantees are held to assure satisfactory reclamation of coal and oil sands operations, sand and gravel pits, landfills, hazardous waste management and hazardous recyclable facilities.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 10
## Defined Benefit Plans

The department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $7,298 for the year ended March 31, 2009 (2008 – $6,319).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 deficiency – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus of $1,510).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 (2008 – actual surplus of $7,874). The expense for these two plans is limited to employer's annual contributions for the year.

## Note 11
## Restatement of Prior Years

Based on agreement between the Departments of Environment and Service Alberta, effective April 1, 2008, the budgetary responsibility for the functional reporting of information technology services was transferred to Service Alberta. Service Alberta continues to provide the department with the services related to these functions, but no consideration is exchanged. Administrative costs for 2008 ($2,410) have been restated as if the department had never been assigned responsibility.

| | | |
|---|---|---|
| Net Operating Results, as previously reported at March 31, 2008 | $ | (257,995) |
| Plus: Expenses Transferred to Service Alberta | | 2,410 |
| Net Operating Results, as restated at April 1, 2008 | $ | (255,585) |

## Note 12
## Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

## Note 13
## Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

# Revenues

## Schedule 1

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Internal Government Transfers | | | |
| Transfer from Environmental Protection and Enhancement Fund | $ 2,675 | $ 1,608 | $ 1,434 |
| Transfer from the Lottery Fund | 500 | 500 | 500 |
| Transfers from Government of Canada | | | |
| Canada ecoTrust for Clean Air and Climate Change | 51,967 | – | – |
| | 55,142 | 2,108 | 1,934 |
| Premiums, Fees and Licenses | | | |
| Land and Grazing | 55 | 49 | 33 |
| Reclamation Certificates | 3,500 | 900 | 1,390 |
| Water Power Rentals | 650 | 853 | 910 |
| Other | 1,508 | 613 | 941 |
| | 5,713 | 2,415 | 3,274 |
| Other Revenue | | | |
| Refunds of Expenditure | – | 417 | 415 |
| Water Resources | 2,900 | 2,762 | 2,961 |
| Other | 348 | 241 | 124 |
| | 3,248 | 3,420 | 3,500 |
| | $ 64,103 | $ 7,943 | $ 8,708 |

# Dedicated Revenues Initiatives

## Schedule 2

Year ended March 31, 2009 (in thousands)

| | 2009 | | |
|---|---|---|---|
| | Authorized Dedicated Revenue | Actual Dedicated Revenues | Shortfall |
| Reclamation Certificate | $ 3,500 | $ 893 | $ (2,607) |
| Remediation Certificate | 660 | – | (660) |
| Water Management Infrastructure | 2,900 | 2,420 | (480) |
| | $ 7,060 | $ 3,313 | $ (3,747) |

The Reclamation Certificate dedicated revenue initiative refers to the costs of conducting audits at sites that are certified under the upstream oil and gas reclamation program. Revenues are received through a reclamation certificate application fee.

The Remediation Certificate dedicated revenue initiative refers to the costs of conducting site audits that are certified under Alberta Environment's new Remediation Certificate Regulation. Revenues are received through a remediation site certificate application fee.

The Water Management Infrastructure dedicated revenue initiative refers to the maintenance and upgrading of the provincial water management infrastructure system. Revenues are received through the Use of Works Agreements whereby developers pay an annual fee to the province.

The dedicated revenue presented in this schedule is included in the department's Statement of Operations.

# Expenses – Directly Incurred Detailed by Object

**Schedule 3**

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Voted: | | | |
| Salaries, Wages and Employee Benefits | $ 92,232 | $ 91,262 | $ 79,500 |
| Supplies and Services | 69,905 | 54,812 | 45,101 |
| Grants | 60,467 | 18,047 | 117,192 |
| Financial Transactions and Other | 131 | 259 | 127 |
| Amortization of Tangible Capital Assets | 22,361 | 19,902 | 19,688 |
| | $ 245,096 | $ 184,282 | $ 261,608 |
| Statutory: | | | |
| Salaries, Wages and Employee Benefits | $ – | $ – | $ 191 |
| Supplies and Services | 2,675 | 1,518 | 1,093 |
| Grants | – | 90 | 150 |
| Valuation Adjustments | | | |
| Provision for Doubtful Accounts | – | (2) | 9 |
| Provision for Vacation Pay | 99 | 1,261 | 1,269 |
| Provision for Remediation and Reclamation | – | (40) | (12) |
| | $ 2,774 | $ 2,827 | $ 2,700 |

# Budget

## Schedule 4

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustment (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget |
|---|---|---|---|---|---|
| Internal Government Transfers | $ 3,175 | $ – | $ 3,175 | $ – | $ 3,175 |
| Transfers from Government of Canada | 51,967 | – | 51,967 | – | 51,967 |
| Premiums, Fees and Licenses | 5,713 | – | 5,713 | – | 5,713 |
| Other Revenue | 3,248 | – | 3,248 | – | 3,248 |
| | 64,103 | – | 64,103 | – | 64,103 |
| Ministry Support Services | 18,072 | – | 18,072 | – | 18,072 |
| Environmental Assurance: | | | | | |
| Drinking Water | 1,965 | – | 1,965 | – | 1,965 |
| Monitoring and Evaluation | 13,646 | – | 13,646 | – | 13,646 |
| Standards | 6,000 | – | 6,000 | – | 6,000 |
| Climate Change | 82,274 | – | 82,274 | – | 82,274 |
| Innovation and Policy | 5,782 | – | 5,782 | – | 5,782 |
| Environmental Stewardship: | | | | | |
| Intergovernmental Relationships and Partnerships | 4,276 | – | 4,276 | – | 4,276 |
| Educational Awareness | 7,764 | – | 7,764 | – | 7,764 |
| Water for Life | 13,891 | – | 13,891 | – | 13,891 |
| Environmental Management: | | | | | |
| Integrated Resource Management | 10,456 | – | 10,456 | – | 10,456 |
| Approvals | 18,770 | – | 18,770 | – | 18,770 |
| Compliance and Enforcement | 10,555 | – | 10,555 | – | 10,555 |
| Water Operations | 15,118 | – | 15,118 | – | 15,118 |
| Emergency Response | 2,228 | – | 2,228 | – | 2,228 |
| Amortization of Tangible Capital Assets | 22,361 | – | 22,361 | – | 22,361 |
| Oil Sands Environmental Management: | | | | | |
| Oil Sands Innovation and Policy | 5,681 | – | 5,681 | – | 5,681 |
| Oil Sands Operations | 6,257 | – | 6,257 | – | 6,257 |
| Dedicated Revenue Shortfall ( Schedule 2) | – | (3,747) | (3,747) | – | (3,747) |
| | 245,096 | (3,747) | 241,349 | – | 241,349 |
| Land Reclamation Program | 550 | – | 550 | – | 550 |
| Emergency Spills and Cleanups | 1,525 | – | 1,525 | – | 1,525 |
| Drought and Flood Emergencies | 600 | – | 600 | – | 600 |
| Valuation Adjustments | | | | | |
| Provision for Vacation Pay | 99 | – | 99 | – | 99 |
| | 2,774 | – | 2,774 | – | 2,774 |
| | 247,870 | (3,747) | 244,123 | – | 244,123 |
| Net Operating Results | $ (183,767) | $ (3,747) | $ (180,020) | $ – | $ (180,020) |
| Equipment/Inventory Purchases | $ 3,144 | $ – | $ 3,144 | $ – | $ 3,144 |
| Non-Budgetary Disbursements | $ 1,100 | $ – | $ 1,100 | $ – | $ 1,100 |

* As of April 1, 2008, Integrated Information Solutions became a part of Strategic Support and Integration Division within Ministry Support Services.

(a) Adjustment includes dedicated revenue shortfall.

# Comparison of Expenses – Directly Incurred, Equipment/ Inventory Purchases and Statutory Expenses by Element to Authorized Budget

## Schedule 5

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustments (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget | 2008-2009 Actual Expense (b) | Unexpended (Over Expended) |
|---|---|---|---|---|---|---|---|
| **Voted Expenses and Capital Investment** | | | | | | | |
| **Ministry Support Services** | | | | | | | |
| 1.0.1 Minister's Office | $ 460 | $ – | $ 460 | $ – | $ 460 | $ 522 | $ (62) |
| 1.0.2 Cabinet Policy Committee on Resources and the Environment | 131 | – | 131 | – | 131 | 241 | (110) |
| 1.0.3 Deputy Minister's Office | 462 | – | 462 | – | 462 | 753 | (291) |
| 1.0.4 Communications | 693 | – | 693 | – | 693 | 1,248 | (555) |
| 1.0.5 People Services | 1,581 | – | 1,581 | – | 1,581 | 2,177 | (596) |
| 1.0.6 Legal Services | 296 | – | 296 | – | 296 | 168 | 128 |
| 1.0.7 Finance and Administration | 4,077 | – | 4,077 | – | 4,077 | 4,187 | (110) |
| 1.0.8 Strategic Support and Integration | | | | | | | |
| - Expense | 8,704 | – | 8,704 | – | 8,704 | 11,918 | (3,214) |
| - Equipment/Inventory Purchases | – | – | – | – | – | 99 | (99) |
| 1.0.9 Corporate Costs | 1,668 | – | 1,668 | – | 1,668 | 994 | 674 |
| TOTAL PROGRAM 1 | 18,072 | – | 18,072 | – | 18,072 | 22,307 | (4,235) |
| **Environmental Assurance** | | | | | | | |
| 2.0.1 Drinking Water | 1,965 | – | 1,965 | – | 1,965 | 2,462 | (497) |
| 2.0.2 Monitoring and Evaluation | | | | | | | |
| - Expense | 13,646 | – | 13,646 | – | 13,646 | 15,918 | (2,272) |
| - Equipment/inventory Purchases | 255 | – | 255 | – | 255 | 17 | 238 |
| 2.0.3 Standards | 6,000 | – | 6,000 | – | 6,000 | 6,418 | (418) |
| 2.0.4 Climate Change | | | | | | | |
| - Expense | 82,274 | – | 82,274 | – | 82,274 | 9,947 | 72,327 |
| - Equipment/inventory Purchases | – | – | – | – | – | 9 | (9) |
| 2.0.5 Innovation and Policy | 5,782 | – | 5,782 | – | 5,782 | 4,591 | 1,191 |
| TOTAL PROGRAM 2 | 109,922 | – | 109,922 | – | 109,922 | 39,362 | 70,560 |
| **Environmental Stewardship** | | | | | | | |
| 3.0.1 Intergovernmental Relationships and Partnerships | 4,276 | – | 4,276 | – | 4,276 | 7,894 | (3,618) |
| 3.0.2 Educational Awareness | | | | | | | |
| - Expense | 7,264 | – | 7,264 | – | 7,264 | 5,893 | 1,371 |
| - Expense funded by Lotteries | 500 | – | 500 | – | 500 | 500 | – |
| 3.0.3 Water For Life | | | | | | | |
| - Expense | 13,891 | – | 13,891 | – | 13,891 | 15,411 | (1,520) |
| - Equipment/inventory Purchases | 2,759 | – | 2,759 | – | 2,759 | 1,599 | 1,160 |
| TOTAL PROGRAM 3 | 28,690 | – | 28,690 | – | 28,690 | 31,297 | (2,607) |

* As of April 1, 2008, Integrated Information Solutions became a part of Strategic Support and Integration Division within Ministry Support Services.
(a) Adjustments include dedicated revenue shortfall.
(b) Includes achievement bonus amounting to $2,215.

# Comparison of Expenses – Directly Incurred, Equipment/ Inventory Purchases and Statutory Expenses by Element to Authorized Budget

## Schedule 5

Year ended March 31, 2009 (in thousands)

| | 2008-2009 Estimates* | Adjustments (a) | 2008-2009 Budget | Authorized Supplementary | 2008-2009 Authorized Budget | 2008-2009 Actual Expense (b) | Unexpended (Over Expended) |
|---|---|---|---|---|---|---|---|
| **Voted Expenses and Capital Investment – (continued)** | | | | | | | |
| **Environmental Management** | | | | | | | |
| 4.0.1 Integrated Resource Management | $ 10,456 | $ – | $ 10,456 | $ – | $ 10,456 | $ 13,939 | $ (3,483) |
| 4.0.2 Approvals | | | | | | | |
| - Expense | 18,770 | – | 18,770 | – | 18,770 | 20,883 | (2,113) |
| - Equipment/Inventory Purchases | – | – | – | – | – | 17 | (17) |
| 4.0.3 Compliance and Enforcement | 10,555 | – | 10,555 | – | 10,555 | 11,447 | (892) |
| 4.0.4 Water Operations | | | | | | | |
| - Expense | 15,118 | – | 15,118 | – | 15,118 | 16,403 | (1,285) |
| - Equipment/Inventory Purchases | 30 | – | 30 | – | 30 | 152 | (122) |
| 4.0.5 Emergency Response | | | | | | | |
| - Expense | 2,228 | – | 2,228 | – | 2,228 | 1,738 | 490 |
| - Equipment/Inventory Purchases | 100 | – | 100 | – | 100 | 230 | (130) |
| 4.0.6 Amortization of Tangible Capital Assets | 22,361 | – | 22,361 | – | 22,361 | 19,902 | 2,459 |
| TOTAL PROGRAM 4 | 79,618 | – | 79,618 | – | 79,618 | 84,711 | (5,093) |
| **Oil Sands Environmental Management** | | | | | | | |
| 5.0.1 Oil Sands Innovation and Policy | | | | | | | |
| - Expense | 5,681 | – | 5,681 | – | 5,681 | 6,536 | (855) |
| - Equipment/Inventory Purchases | – | – | – | – | – | 50 | (50) |
| 5.0.2 Oil Sands Operations | | | | | | | |
| - Expense | 6,257 | – | 6,257 | – | 6,257 | 2,192 | 4,065 |
| - Equipment/Inventory Purchases | – | – | – | – | – | 7 | (7) |
| TOTAL PROGRAM 5 | 11,938 | – | 11,938 | – | 11,938 | 8,785 | 3,153 |
| **Voted Expenses and Equipment/Inventory Purchases** | | | | | | | |
| Dedicated Revenue Shortfall (Schedule 2) | $ – | $ (3,747) | $ (3,747) | $ – | $ (3,747) | $ – | $ (3,747) |
| | $ – | $ (3,747) | $ (3,747) | $ – | $ (3,747) | $ – | $ (3,747) |
| **Operating Expense** | 245,096 | (3,747) | 241,349 | – | 241,349 | 184,282 | 57,067 |
| **Equipment/Inventory Purchases** | 3,144 | – | 3,144 | – | 3,144 | 2,180 | 964 |
| | $248,240 | $ (3,747) | $244,493 | $ – | $244,493 | $186,462 | $ 58,031 |
| **Statutory Expenses** | | | | | | | |
| Land Reclamation Program | $ 550 | $ – | $ 550 | $ – | $ 550 | $ 1,371 | $ (821) |
| Emergency Spills and Cleanups | 1,525 | – | 1,525 | – | 1,525 | 147 | 1,378 |
| Drought and Flood Emergencies | 600 | – | 600 | – | 600 | 90 | 510 |
| Valuation Adjustments | 99 | – | 99 | – | 99 | 1,219 | (1,120) |
| | $ 2,774 | $ – | $ 2,774 | $ – | $ 2,774 | $ 2,827 | $ (53) |
| **Non-Budgetary Disbursements** | | | | | | | |
| Intergovernmental Relationships and Partnerships | 1,000 | – | 1,000 | – | 1,000 | 1,000 | – |
| Approvals | 100 | – | 100 | – | 100 | – | 100 |
| | $ 1,100 | $ – | $ 1,100 | $ – | $ 1,100 | $ 1,000 | $ 100 |

# Budget

## Schedule 6

Year ended March 31, 2009

| | 2009 | | | | 2008 |
|---|---|---|---|---|---|
| | Base Salary[1] | Other Cash Benefits[2] | Other Non-cash Benefits[3] | Year-End Total | Year-End Total |
| Deputy Minister[4] | $ 257,056 | $ 58,051 | $ 58,510 | $ 367,351 | $ 357,568 |
| Assistant Deputy Ministers | | | | | |
| Environmental Assurance Division[5] | 157,522 | 23,584 | 38,949 | 220,055 | 264,375 |
| Environmental Stewardship Division | 173,880 | 26,082 | 40,776 | 240,738 | 218,322 |
| Environmental Management Division[6] | 163,441 | 26,674 | 39,967 | 230,082 | 218,751 |
| Oil Sands Environmental Management Division[7] | 80,742 | – | 18,529 | 99,271 | 238,919 |
| Strategic Support and Integration Division[8] | 91,802 | 24,247 | 23,739 | 139,788 | – |
| Executive Directors | | | | | |
| Finance and Administration Division | 158,706 | 20,939 | 39,334 | 218,979 | 157,294 |
| Strategic Planning Secretariat[9] | 83,281 | – | 19,184 | 102,465 | 178,159 |
| People Services | 140,976 | 21,146 | 34,847 | 196,969 | 180,273 |
| Integrated Information Solutions[10] | 128,846 | 20,939 | 32,792 | 182,577 | – |

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

(1) Base salary includes regular base pay.
(2 Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.
(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition fees.
(4) Automobile provided, no dollar amount included in benefits and allowances.
(5) The incumbent also became the Assistant Deputy Minister of Oil Sands Environmental Management Division in September 2008.
(6) The Assistant Deputy Minister of Environmental Management Division was filled in May 2008.
(7) The Assistant Deputy Minister of Oil Sands Environmental Management Division became vacant in July 2008. The position was filled in September 2008 by the incumbent of the Environmental Assurance Division.
(8) The Strategic Support and Integration Divison was created in May 2008. The incumbent was formerly the Acting Assistant Deputy Minister of Environmental Management in April 2008, the Executive Director of Strategic Support and Integration Division from May 2008 to September 2008, and became the Acting Assistant Deputy Minister of Strategic Support and Integration Division in October 2008.
(9) The Executive Director of Strategic Planning Secretariat became vacant in June of 2008, and the position has now been terminated.
(10) The incumbent became a part of the Executive Team on May 15, 2008.

# Related Party Transactions

## Schedule 7

Year ended March 31, 2009 (in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the department.

The department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Other Entities | |
|---|---|---|
| | **2009** | 2008 |
| Revenue | | |
| Internal Government Transfers | $ 2,108 | $ 1,934 |
| | $ 2,108 | $ 1,934 |
| Expenses – Directly Incurred | | |
| Grants | $ 1,500 | $ 3,075 |
| Other Services | $ 4,338 | $ 2,977 |
| | $ 5,838 | $ 6,052 |
| Tangible Capital Assets Transferred | $ 8,367 | $ 11,138 |
| Payable to | $ 3,639 | $ 3,807 |
| Receivable from | $ 335 | $ 515 |

The department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

| | Other Entities | |
|---|---|---|
| | **2009** | 2008 |
| Expenses – Incurred by Others | | |
| Accommodation | $ 7,779 | $ 6,804 |
| Legal | 2,587 | 2,685 |
| Water Management Infrastructure Maintenance | 5,828 | 4,785 |
| Service Alberta | 5,825 | 5,929 |
| | $ 22,019 | $ 20,203 |

# Allocated Costs

## Schedule 8

Year ended March 31, 2009 (in thousands)

| | 2009 | | | | | | | | 2008 |
|---|---|---|---|---|---|---|---|---|---|
| | | Expenses – Incurred by Others | | | | Valuation Adjustments | | | |
| Program | Expenses[1] | Accommodation Costs[2] | Legal Services[3] | Water Management Infrastructure Maintenance | Service Alberta | Vacation Pay[4] | Doubtful Accounts | Remediation and Reclamation | Expenses | Expenses |
| Ministry Support Services | $ 22,208 | $ 1,101 | $ 610 | $ – | $ 5,825 | $ 494 | $ (2) | $ – | $ 30,236 | $ 25,835 |
| Drinking Water | 2,462 | 88 | 5 | – | – | 106 | – | – | 2,661 | 1,153 |
| Monitoring and Evaluation | 15,918 | 752 | 37 | – | – | (5) | – | – | 16,702 | 15,388 |
| Standards | 6,418 | 454 | 16 | – | – | (105) | – | – | 6,783 | 7,285 |
| Climate Change | 9,947 | 61 | 224 | – | – | 38 | – | – | 10,270 | 5,072 |
| Innovation and Policy | 4,591 | 18 | 16 | – | – | 202 | – | – | 4,827 | 2,117 |
| Reclamation and Emergency Preparedness | 1,608 | – | – | – | – | – | – | – | 1,608 | 1,430 |
| Intergovernmental Relationships and Partnerships | 7,894 | 280 | 27 | – | – | (65) | – | – | 8,136 | 24,948 |
| Educational Awareness | 6,393 | 219 | 49 | – | – | 43 | – | – | 6,704 | 4,579 |
| Water for Life | 15,411 | 201 | 88 | – | – | 100 | – | – | 15,800 | 13,200 |
| Integrated Resource Management | 13,939 | 970 | 276 | – | – | (34) | – | – | 15,151 | 14,297 |
| Approvals | 20,883 | 1,503 | 495 | – | – | 235 | – | (40) | 23,076 | 21,660 |
| Compliance and Enforcement | 11,447 | 865 | 278 | – | – | 106 | – | – | 12,696 | 11,358 |
| Water Operations | 16,403 | 848 | 399 | 5,828 | – | 66 | – | – | 23,544 | 107,545 |
| Emergency Response | 1,738 | 96 | 59 | – | – | 13 | – | – | 1,906 | 1,993 |
| Amortization of Tangible Capital Assets | 19,902 | – | – | – | – | – | – | – | 19,902 | 19,688 |
| Oil Sands Innovation and Policy | 6,536 | 323 | 4 | – | – | 67 | – | – | 6,930 | 3,954 |
| Oil Sands Operations | 2,192 | – | 4 | – | – | – | – | – | 2,196 | 3,009 |
| | $ 185,890 | $ 7,779 | $ 2,587 | $ 5,828 | $ 5,825 | $ 1,261 | $ (2) | $ (40) | $ 209,128 | $ 284,511 |

(1) Expenses – Directly incurred as per Statement of Operations, excluding valuation adjustments.
(2) Costs shown for Accommodation on Schedule 7, allocated by budgeted Full-Time Equivalent Employment.
(3) Costs shown for Legal Services on Schedule 7, allocated by estimated costs by each program.
(4) Valuation Adjustments as per Statement of Operations. Vacation Pay is allocated by employee.

# Climate Change and Emissions Management Fund

## FINANCIAL STATEMENTS

Year Ended March 31, 2009

# Auditor's Report on Financial Results

To the Minister of Environment

I have audited the statements of financial position of the Climate Change and Emissions Management Fund as at March 31, 2009 and March 31, 2008 and the statements of operations and cash flow for the years then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform my audits to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2009 and March 31, 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
August 6, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

# Statement of Operations

Year ended March 31, 2009 (in thousands)

| | 2009 | | 2008 |
|---|---|---|---|
| | Budget | Actual | Actual |
| | | | (Restated – Note 6) |
| Revenues (Note 2b) | | | |
| Industry Purchase of CCEMF Credits by Sector | | | |
| Mining, Oil and Gas Extraction | $ 39,000 | $ 35,997 | $ 18,219 |
| Utilities | 38,000 | 34,929 | 28,885 |
| Manufacturing | 9,000 | 7,755 | 5,599 |
| Transportation and Warehousing | 6,000 | 5,107 | 7,424 |
| Waste Management and Remediation | – | 274 | 197 |
| Investment Income | – | 1,199 | – |
| Total Revenues | 92,000 | 85,261 | 60,324 |
| Expenses (Note 2b) | | | |
| Grant to the Climate Change and Emissions Management Corporation | 155,000 | 145,585 | – |
| Total Expenses | 155,000 | 145,585 | – |
| Net Operating Results | $ (63,000) | $ (60,324) | $ 60,324 |

The accompanying notes are part of these financial statements.

# Statement of Financial Position

Year ended March 31, 2009 (in thousands)

| | 2009 | 2008 (Restated – Note 6) |
|---|---|---|
| ASSETS | | |
| Cash (Note 3) | $ 91,515 | $ 35,576 |
| Accounts Receivable (Note 4) | 54,098 | 24,748 |
| | $ 145,613 | $ 60,324 |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | $ 145,613 | $ – |
| | 145,613 | – |
| NET ASSETS | | |
| Net Assets at Beginning of Year | 60,324 | – |
| Net Operating Results | (60,324) | 60,324 |
| Net Assets at End of Year | – | 60,324 |
| | $ 145,613 | $ 60,324 |

The accompanying notes are part of these financial statements.

# Statement of Cash Flow

Year ended March 31, 2009 (in thousands)

| | 2009 | 2008 (Restated – Note 6) |
|---|---|---|
| Operating Transactions | | |
| Net Operating Results | $ (60,324) | $ 60,324 |
| | (60,324) | 60,324 |
| Increase in Accounts Receivable | (29,350) | (24,748) |
| Increase in Accounts Payable and Accrued Liabilities | 145,613 | – |
| Cash Provided by Operating Transactions | 55,939 | 35,576 |
| Increase in Cash | 55,939 | 35,576 |
| Cash, Beginning of Year | 35,576 | – |
| Cash, End of Year | $ 91,515 | $ 35,576 |

The accompanying notes are part of these financial statements.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 1
## Authority and Purpose

The Climate Change and Emissions Management Fund (CCEMF) operates under the authority of the *Climate Change and Emissions Management Act*, Chapter C-16.7.

The CCEMF may be used only for purposes related to reducing emissions of specified gases or improving Alberta's ability to adapt to climate change.

The CCEMF operates as follows:

- Revenues in the CCEMF are primarily from facilities' purchase of fund credits ($15 per tonne) used in meeting net emissions intensity limits. Facilities can also make improvements to their operations, purchase Alberta based offsets, or use emission performance credits. Emissions intensity is the ratio of greenhouse gas emissions to facilities' production for the period.
- Emission measurement involves the use of different methodologies including estimation techniques and use of emission factors. Such techniques can involve using equipment with varying degrees of precision. Use of different techniques and emission factors will produce different results.
- Management has provided guidance to facilities and verifiers for the calculation and verification of emissions intensity. Every facility submitting a compliance report is required to have a third party verify the report at a limited level of assurance. In a limited level of assurance engagement, verifiers perform procedures with the objective of assessing whether the information reported by facilities is plausible within the framework of the guidance provided by management.

The systems and processes including the offsets purchased by facilities are new and complex. Management believes that as the system evolves, and more guidance is developed, the calculation of emissions intensity will be refined through improved methodologies and data quality.

## Note 2
## Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of CCEMF's activities.

### (a) Reporting Entity

The reporting entity is the CCEMF for which the Minister of Environment is accountable.

### (b) Basis of Financial Reporting

#### *Revenues*

All revenues are reported on the accrual basis of accounting.

The revenues are measured from amounts assessed by management and from estimates of amounts not yet assessed. Revenues for the fiscal year also include adjustments between the estimated revenues of previous years and actual amounts.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 2
## Summary of Significant Accounting Policies and Reporting Practices

### (b) Basis of Financial Reporting (continued)

Management has adopted a regulatory materiality threshold of 5 per cent on emissions or production reported per facility when calculating emissions intensity. This threshold requires facilities to correct and re-verify submissions where errors exceed the 5 per cent limit. Management can require errors below the threshold to be corrected. Uncorrected errors less than the 5 per cent threshold have not been quantified.

***Measurement Uncertainty***

Until assessed by management, revenue is estimated based on the amounts reported by the facilities in the compliance reports. The compliance period for facilities is on a calendar basis. The 2009 revenues include an estimate of $20,834 for the revenues owing for the period January 1 to March 31, 2009 (2008 – $20,108). These estimates are subject to measurement uncertainty and actual results could vary by a material amount.

***Expenses***

Expenses are those costs the Climate Change and Emissions Management Fund has primary responsibility and accountability for, as reflected in the Government's budget documents.

Grants are recognized as expenses when authorized, eligibility criteria are met and a reasonable estimate of the amount can be made.

Expenses include grant payments made to the Climate Change and Emissions Management Corporation. In 2009, the grant amount of $145,585 includes payment for two fiscal years 2007-08 and 2008-09.

***Assets***

Financial assets of the CCEMF are comprised of cash, receivables and interest income.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Net Assets***

Net assets represent the difference between the carrying value of assets held by the CCEMF and its liabilities.

***Valuation of Financial Assets and Liabilities***

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, and accounts receivable, are estimated to approximate their carrying values because of the short term nature of these instruments.

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 3
## Cash

Cash consists of a deposit in the Consolidated Cash Investment Trust Fund which is managed by the Province of Alberta to provide competitive interest income while maintaining maximum security and liquidity.

## Note 4
## Accounts Receivable

| | 2009 | | | 2008 (Restated) |
|---|---|---|---|---|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Mining, Oil and Gas Extraction | $ 15,673 | $ – | $ 15,673 | $ 8,136 |
| Utilities | 32,490 | – | 32,490 | 9,628 |
| Manufacturing | 2,132 | – | 2,132 | 4,312 |
| Transportation and Warehousing | 3,463 | – | 3,463 | 2,475 |
| Waste Management and Remediation | 340 | – | 340 | 197 |
| | $ 54,098 | $ – | $ 54,098 | $ 24,748 |

# Notes to the Financial Statements Year ended March 31, 2009 (in thousands)

## Note 5
## Contractual Obligations

The department has a contractual grant obligation with the Climate Change and Emissions Management Corporation until September 1, 2014.

## Note 6
## Restatement of Prior Year

In 2008, CCEMF revenues included the revenues earned from July 1 to December 31, 2007, except that an estimate was not made of the revenues owing for the period January 1 to March 31, 2008. The 2008 CCEMF revenue figure has been restated to include an estimate of $20,108 for the revenues owing for the period January 1 to March 31, 2008.

| | | |
|---|---|---|
| Net Operating Results, as previously reported at March 31, 2008 | $ | 40,216 |
| Plus: CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Net Operating Results, as restated at April 1, 2008 | $ | 60,324 |

| | | |
|---|---|---|
| Accounts Receivable on March 31, 2008 is made up as follows: | | |
| Accounts Receivable as previously reported | $ | 4,640 |
| CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Accounts Receivable as restated at March 31, 2008 | $ | 24,748 |

| | | |
|---|---|---|
| Net Assets at Beginning of Year | $ | 40,216 |
| CCEMF estimate for revenues owing for the period January 1 to March 31, 2008 | | 20,108 |
| Net Assets at Beginning of Year as restated at April 1, 2008 | $ | 60,324 |

## Note 7
## Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

# Alphabetical List of Government Entities' Financial Statements

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

## Entities Included in the Consolidated Government Reporting Entity

**Ministry, Department, Fund or Agency • Ministry Annual Report**

Access to the Future Fund • Advanced Education and Technology
Agriculture Financial Services Corporation • Agriculture and Rural Development
Alberta Alcohol and Drug Abuse Commission • Health and Wellness
Alberta Cancer Prevention Legacy Fund • Finance and Enterprise
Alberta Capital Finance Authority • Finance and Enterprise
Alberta Energy and Utilities Board[1] • Energy
Alberta Enterprise Corporation[2] • Advanced Education and Technology
Alberta Foundation for the Arts • Culture and Community Spirit
Alberta Gaming and Liquor Commission • Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund • Finance and Enterprise
Alberta Heritage Savings Trust Fund • Finance and Enterprise
Alberta Heritage Scholarship Fund • Finance and Enterprise
Alberta Heritage Science and Engineering Research Endowment Fund • Finance and Enterprise
Alberta Historical Resources Foundation • Culture and Community Spirit
Alberta Insurance Council • Finance and Enterprise
Alberta Investment Management Corporation[3] • Finance and Enterprise
Alberta Livestock and Meat Agency[4] • Agriculture and Rural Development
Alberta Local Authorities Pension Plan Corporation • Finance and Enterprise
Alberta Pensions Administration Corporation • Finance and Enterprise
Alberta Petroleum Marketing Commission • Energy
Alberta Research Council Inc. • Advanced Education and Technology
Alberta Risk Management Fund • Finance and Enterprise
Alberta School Foundation Fund • Education
Alberta Securities Commission • Finance and Enterprise
Alberta Social Housing Corporation • Housing and Urban Affairs
Alberta Sport, Recreation, Parks and Wildlife Foundation • Tourism, Parks and Recreation
Alberta Treasury Branches • Finance and Enterprise
Alberta Utilities Commission[1] • Energy
ATB Insurance Advisors Inc. • Finance and Enterprise
ATB Investment Management Inc. • Finance and Enterprise
ATB Investment Services Inc. • Finance and Enterprise
ATB Securities Inc. • Finance and Enterprise

1 Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
2 The Act was proclaimed and came into force on December 5, 2008.
3 Began operations July 1, 2008.
4 Incorporated on January 29, 2009
5 Began operations July 1, 2007.

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

Child and Family Services Authorities • Children and Youth Services
- Calgary and Area Child and Family Services Authority
- Central Alberta Child and Family Services Authority
- East Central Alberta Child and Family Services Authority
- Edmonton and Area Child and Family Services Authority
- North Central Alberta Child and Family Services Authority
- Northeast Alberta Child and Family Services Authority
- Northwest Alberta Child and Family Services Authority
- Southeast Alberta Child and Family Services Authority
- Southwest Alberta Child and Family Services Authority
- Métis Settlements Child and Family Services Authority

C-FER Technologies (1999) Inc. • Advanced Education and Technology
Climate Change and Emissions Management Fund[5] • Environment
Credit Union Deposit Guarantee Corporation • Finance and Enterprise
Colleges • Advanced Education and Technology
- Alberta College of Art and Design
- Bow Valley College
- Grande Prairie Regional College
- Grant MacEwan College
- Keyano College
- Lakeland College
- Lethbridge Community College
- Medicine Hat College
- Mount Royal College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College
- Red Deer College

Department of Advanced Education and Technology • Advanced Education and Technology
Department of Agriculture and Rural Development • Agriculture and Rural Development
Department of Children and Youth Services • Children and Youth Services
Department of Culture and Community Spirit • Culture and Community Spirit
Department of Education • Education
Department of Energy • Energy
Department of Finance and Enterprise • Finance and Enterprise
Department of Environment • Environment
Department of Health and Wellness • Health and Wellness

5 Began operations July 1, 2007.

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

Department of Housing and Urban Affairs • Housing and Urban Affairs
Department of Municipal Affairs • Municipal Affairs
Department of Seniors and Community Supports • Seniors and Community Supports
Department of Solicitor General and Public Security • Solicitor General and Public Security
Department of Sustainable Resource Development • Sustainable Resource Development
Department of Tourism, Parks and Recreation • Tourism, Parks and Recreation
Energy Resources Conservation Board[1] • Energy
Environmental Protection and Enhancement Fund • Sustainable Resource Development
Gainers Inc. • Finance and Enterprise
Government House Foundation • Culture and Community Spirit
Historic Resources Fund • Culture and Community Spirit
Human Rights, Citizenship and Multiculturalism Education Fund • Culture and Community Spirit
iCORE Inc. • Advanced Education and Technology
Lottery Fund • Solicitor General and Public Security
Ministry of Aboriginal Relations[6] • Aboriginal Relations
Ministry of Advanced Education and Technology • Advanced Education and Technology
Ministry of Agriculture and Rural Development • Agriculture and Rural Development
Ministry of Children and Youth Services • Children and Youth Services
Ministry of Culture and Community Spirit • Culture and Community Spirit
Ministry of Education • Education
Ministry of Employment and Immigration[6] • Employment and Immigration
Ministry of Energy • Energy
Ministry of Environment • Environment
Ministry of Executive Council[6] • Executive Council
Ministry of Finance and Enterprise • Finance and Enterprise
Ministry of Health and Wellness • Health and Wellness
Ministry of Housing and Urban Affairs • Housing and Urban Affairs
Ministry of Infrastructure[6] • Infrastructure
Ministry of International and Intergovernmental Relations[6] • International, and Intergovernmental Relations
Ministry of Justice[6] • Justice
Ministry of Municipal Affairs • Municipal Affairs
Ministry of Seniors and Community Supports • Seniors and Community Supports
Ministry of Service Alberta[6] • Service Alberta
Ministry of Solicitor General and Public Security • Solicitor General and Public Security
Ministry of Sustainable Resource Development • Sustainable Resource Development
Ministry of Tourism, Parks, and Recreation • Tourism, Parks, and Recreation
Ministry of Transportation[6] • Transportation
Ministry of the Treasury Board[6] • Treasury Board
N.A. Properties (1994) Ltd. • Finance and Enterprise
Natural Resources Conservation Board • Sustainable Resource Development

1 Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
6 Ministry includes only the departments so separate financial statements are not necessary.

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

Persons with Developmental Disabilities Community Boards • Seniors and Community Supports
- Calgary Region Community Board
- Central Region Community Board
- Edmonton Region Community Board
- Northeast Region Community Board
- Northwest Region Community Board
- South Region Community Board

Provincial Judges and Masters in Chambers Reserve Fund • Finance and Enterprise

Regional Health Authorities and Provincial Health Boards • Health and Wellness
- Alberta Cancer Board
- Alberta Mental Health Board
- Aspen Regional Health Authority
- Calgary Health Region
- Capital Health
- Chinook Regional Health Authority
- David Thompson Regional Health Authority
- East Central Health
- Health Quality Council of Alberta
- Northern Lights Health Region
- Peace Country Health
- Palliser Health Region

Safety Codes Council • Municipal Affairs

School Boards and Charter Schools • Education
- Almadina School Society
- Aspen View Regional Division No. 19
- Aurora School Ltd.
- Battle River Regional Division No. 31
- Black Gold Regional Division No. 18
- Boyle Street Education Centre
- Buffalo Trail Public Schools Regional Division No. 28
- Calgary Arts Academy Society
- Calgary Girls' School Society
- Calgary Roman Catholic Separate School District No. 1
- Calgary School District No. 19
- Calgary Science School Society
- Canadian Rockies Regional Division No. 12
- CAPE-Centre for Academic and Personal Excellence Institute
- Chinook's Edge School Division No. 73
- Christ the Redeemer Catholic Separate Regional Division No. 3
- Clearview School Division No. 71
- East Central Alberta Catholic Separate Schools Regional Division No. 16

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

School Boards and Charter Schools • Education (continued)

East Central Francophone Education Region No. 3
Edmonton Catholic Separate School District No. 7
Edmonton School District No. 7
Elk Island Catholic Separate Regional Division No. 41
Elk Island Public Schools Regional Division No. 14
Evergreen Catholic Separate Regional Division No. 2
FFCA Charter School Society
Foothills School Division No. 38
Fort McMurray Roman Catholic Separate School District No. 32
Fort McMurray School District No. 2833
Fort Vermilion School Division No. 52
Golden Hills School Division No. 75
Grande Prairie Public School District No. 2357
Grande Prairie Roman Catholic Separate School District No. 28
Grande Yellowhead Regional Division No. 35
Grasslands Regional Division No. 6
Greater North Central Francophone Education Region No. 2
Greater Southern Public Francophone Education Region No. 4
Greater Southern Separate Catholic Francophone Education Region No. 4
Greater St. Albert Catholic Regional Division No. 29
High Prairie School Division No. 48
Holy Family Catholic Regional Division No. 37
Holy Spirit Roman Catholic Separate Regional Division No. 4
Horizon School Division No. 67
Lakeland Roman Catholic Separate School District No. 150
Lethbridge School District No. 51
Living Waters Catholic Regional Division No. 42
Livingstone Range School Division No. 68
Medicine Hat Catholic Separate Regional Division No. 20
Medicine Hat School District No. 76
Moberly Hall School Society
Mother Earth's Children's Charter School Society
New Horizons Charter School Society
Northern Gateway Regional Division No. 10
Northern Lights School Division No. 69
Northland School Division No. 61
Northwest Francophone Education Region No. 1
Palliser Regional Division No. 26
Parkland School Division No. 70
Peace River School Division No. 10

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

School Boards and Charter Schools • Education (continued)
- Peace Wapiti School Division No. 76
- Pembina Hills Regional Division No. 7
- Prairie Land Regional Division No. 25
- Prairie Rose School Division No. 8
- Red Deer Catholic Regional Division No. 39
- Red Deer School District No. 104
- Rocky View School Division No. 41
- St. Albert Protestant Separate School District No. 6
- St. Paul Education Regional Division No. 1
- St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38
- Sturgeon School Division No. 24
- Suzuki Charter School Society
- Westmount Charter School Society
- Westwind School Division No. 74
- Wetaskiwin Regional Division No. 11
- Wild Rose School Division No. 66
- Wolf Creek School Division No. 72

Supplementary Retirement Plan Reserve Fund • Finance and Enterprise

Technical Institutes and The Banff Centre • Advanced Education and Technology
- Northern Alberta Institute of Technology
- Southern Alberta Institute of Technology
- The Banff Centre for Continuing Education

Universities • Advanced Education and Technology
- Athabasca University
- The University of Alberta
- The University of Calgary
- The University of Lethbridge

Victims of Crime Fund • Solicitor General and Public Security

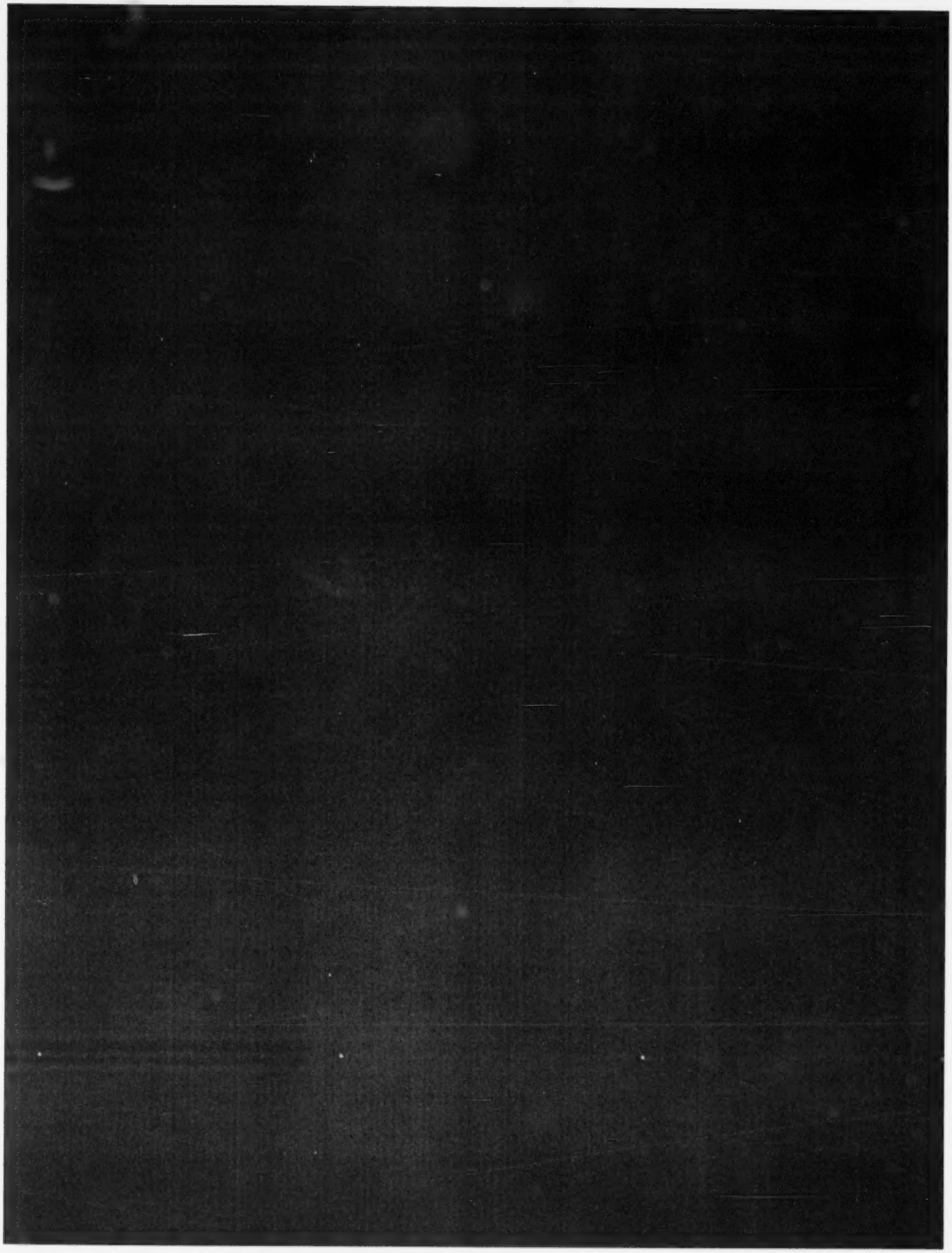
The Wild Rose Foundation • Culture and Community Spirit

# Alphabetical List of Government Entities' Financial Statements in Ministry 2008-2009 Annual Reports

## Entities Not Included in the Consolidated Government Reporting Entity

**Fund or Agency • Ministry Annual Report**

Alberta Foundation for Health Research • Advanced Education and Technology
Alberta Heritage Foundation for Medical Research • Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research • Advanced Education and Technology
Alberta Teachers' Retirement Fund Board • Education
Improvement Districts' Trust Account • Municipal Affairs
Local Authorities Pension Plan • Finance and Enterprise
Long-Term Disability Income Continuance Plan – Bargaining Unit • Treasury Board
Long-Term Disability Income Continuance Plan – Management, Opted Out and Excluded • Treasury Board
Management Employees Pension Plan • Finance and Enterprise
Provincial Judges and Masters in Chambers (Registered) Pension Plan • Finance and Enterprise
Public Service Management (Closed Membership) Pension Plan • Finance and Enterprise
Public Service Pension Plan • Finance and Enterprise
Special Areas Trust Account • Municipal Affairs
Special Forces Pension Plan • Finance and Enterprise
Supplementary Retirement Plan for Public Service Managers • Finance and Enterprise
Workers' Compensation Board • Employment and Immigration



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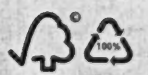


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